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BUDGET SPEECH

DELIVERED BY

HON. SIR CHARLES TUPPER, C.B., G.C.M.G., &c.,

MINISTER OF FINANCE,

— IN —

THE HOUSE OF COMMONS,

THURSDAY, 12TH MAY,

1887.



OTTAWA:

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Sir CHARLES TUPPER. In rising to move that you leave the Chair for the purpose of going into Committee of Ways and Means, and taking advantage of this opportunity to make a statement to the House, I wish to say in the outset that, recognising as I do the great ability of the hon. member for South Oxford (Sir Richard Cartwright), and the manner in which he was enabled to discharge the duties of Finance Minister during the period that hon. gentlemen opposite were in power, and recognising as we all do, the great ability of the gentlemen who, on this side of the House, have served in the same capacity under the right hon. gentleman who now leads the House, I must ask for the considerate indulgence of the House on this, the first, occasion that it has become my duty to occupy that position. I do not propose, on the present occasion, to go over the ground that has been so fully occupied by the hon. gentlemen on this side of the House who have preceded me. It will be recollected that, under a comparatively low tariff, Canada enjoyed a very marked degree of prosperity during the first seven years of Confederation, but it must not be forgotten that during that period the industries of Canada enjoyed the great protection which arose from the dislocation of the labor market in the great Republic to the south of us, and which placed us in a very different position to that which at a very early period afterwards we occupied. When that change came, and when the languishing industries of Canada embarrassed the Finance Minister of that day; when, instead of large surpluses, large deficits succeeded year after year, the Opposition urged upon that hon. gentleman that he should reconsider the position and that he should endeavor to give increased protection to the industries of Canada which would prevent them from thus languishing and from being destroyed. We were not successful, I will not say in leading the hon. gentleman himself to the conclusion that that would be a sound policy, for I have some reason to believe that he had many and strong mis-

givings on that question, but, at all events, we were not able to change the policy of the gentlemen who then ruled the destinies of Canada. As is well known, that became the great issue at the subsequent general election of 1878, and the Conservative party, being returned to power, pledged to foster and promote the industries of Canada as far as they were able, brought down a policy through the hands of my honored predecessor, Sir Leonard Tilley, whose absence from this House I am sure gentlemen on both sides all deplore; and I have no hesitation in saying that the success of that policy thus propounded and matured from time to time, has been such as to command the support and confidence of a large portion of the people of this country down to the present day. As I have said before, with ample material under my hand to show by contrast the great advantage that resulted from the adoption of that policy, I do not propose to take that course on the present occasion. The elaborate statements made by Sir Leonard Tilley, and the exhaustive statement made by my hon. friend who occupied the position of Minister of Finance a year ago, I think, render it entirely unnecessary that I should occupy the time of the House in going over the same ground. But I must be permitted to draw the attention of the House for a single moment to the change that has taken place in the opinions of the great political economists of the day on this question, as an abstract question of political economy.

No person who has carefully watched the progress of public events and public opinion, can fail to know that a very great and marked change has taken place in all countries, I may say, in relation to this question. In the United States of America they hold, with the strongest tenacity they, perhaps, have ever held, to the principle of protection. In England, where it was a heresy to intimate anything of that kind a few years ago, even at the period to which I am referring, a great and marked change in public opinion has taken place. Professor Sidgwick, a learned Fellow of Trinity College, Cambridge, and Professor of Moral Philosophy in that great university, and the gentleman who read, at the meeting of the British Association in 1886, a paper on political economy, has published a work in which opinions, that would have been denounced as utterly fallacious and heretical at that time, have been boldly propounded as the soundest and truest principles of political economy. But, Sir, I do not intend to occupy the attention of the House in recounting, as I could, the numberless evidences that we have of a change of public sentiment on that subject. The committee appointed by the Imperial Parliament to consider the question of the depression of trade, has, of course, adhered to the general line of the free trade policy that has so long prevailed in that country; but it is equally worthy of note that statesmen of the first rank, that men occupying high and commanding positions in public affairs in England, have as unhesitatingly committed themselves, in the minority report, to the strongest opinion in favor of what is termed fair trade, or fair protection to British industry. I am precluded, however, I am happy to say, from the necessity of going into this question as a question of political economy, or of reasoning it out in the abstract, for another and a very important reason. Since the last Session of this Parliament, as is well known, the

hon. gentleman who, with such distinguished ability, leads Her Majesty's loyal Opposition in this House, has, in the presence of the great electorate of Canada, announced his entire conversion to the principle that we have so long maintained from this side of the House. The re-election of that hon. gentleman to the position of leader of that great party in this House and in this country, is viewed with uniform satisfaction on this side of the House for two reasons: first, because of the hon. gentleman's evident qualifications for that distinguished post; secondly, because we regard his re-election to that high position as an affirmation by hon. gentlemen opposite that at last the time has come when this country may congratulate itself upon the fact that the great capitalists of Canada who are interested in developing the resources of the country can put their capital into these great Canadian industries without any fear of disturbance arising from a change of Administration. Under these circumstances I feel it would be wasting the time of the House, and perhaps more than wasting the time of the House, for me to do more than express the gratification I feel that the time has come when we are all at one upon this great and important question, and when the only issue can be how best to carry out and how best to make the principle successful that has commended itself so entirely to the satisfaction of the great body of the people of this country. Now, Sir, I will pass at once to a brief notice of the financial position that Canada occupies at present.

FINANCIAL STATEMENT.

With regard to the receipts and expenditure for the year ending 30th June, 1886, it will be found that the late Finance Minister, in his speech delivered in this House on the 30th March, last year, estimated that the total receipts on account of Consolidated Fund would amount to \$33,550,000. The Public Accounts which have been duly distributed to the hon. members of the House, show that the actual amount received was \$33,177,040.39, showing that the late Finance Minister's estimates were almost literally verified. As a matter of fact, his calculation of the Customs yield was realised within \$150,000, but the main difference arose from the receipts from Excise, which did not come up to expectations. It must be realised, however, that all through that year Canada suffered particularly from other causes, in addition to the ordinary depression of trade felt all over the world. I may remark just here that although it was the bad fortune of hon. gentlemen opposite to be in power at a time when a very marked and serious depression in trade existed, not only in Canada, but in all other countries, there has been, recently, an equal depression of trade in Great Britain, in the United States and in most other countries of the world, Canada has suffered more or less from that depression; but the fact that she has withstood that period of depression and emerged from it as she has done, is the best evidence of the wisdom of the policy that the Government had adopted and the people endorsed. Now, Sir, in the early part of the year the effects of the rebellion in the North-West were severely felt, and an altogether unanticipated calamity took place that produced a very sensible effect upon the trade and business of the country, and paralysed busi-

ness in a very marked degree, as such an event undoubtedly would, shutting off, as it necessarily did, immigration and preventing capital from coming into the country and preventing people coming to settle here to a greater extent than would otherwise have been the case. In addition to that, Sir, we had the great commercial centre of this country, the city of Montreal, suffering under an unusual and unexpected calamity from the very extensive outbreak of small-pox, which placed that great commercial centre in comparative quarantine for many months, producing, of course, most disastrous effects on the trade of the Dominion. On the other hand, the late Finance Minister estimated the total expenditure at \$38,126,287.61. This was increased in the actual amount expended to \$39,011,612.26. The difference may be said to be made up by the charges for suppression of the rebellion in the North-West, which were estimated at \$2,300,000, whereas the actual expenditure on this head was \$3,177,220.56, and in addition there was an increased charge on account of Mounted Police of \$1,029,369.20, as against an estimate of \$832,241.68. These expenditures were unavoidable and had to be met, and, unfortunately for the Dominion, the deficit of last year was the consequence. It may be argued that this expenditure in connection with the North-West rebellion, not being of an ordinary character, should be regarded as a capital expenditure, and it is proposed to adopt this course with sums paid in the current fiscal year to complete these services, and also with payments to be made to sufferers by the rebellion. Coming now to the outcome for the current year it will be found that the late Finance Minister, in his statement made to Parliament at its last Session, estimated that the revenue from all sources would amount to \$34,500,000. Probably in making this estimate he took into consideration the depression under which Canada was suffering in common with all parts of the world, and made an estimate accordingly. However, from the returns up to date, which have been laid before the House, it will be seen that the amount expected was under-estimated; that Canada has in fact emerged from her depression, and that, instead of a revenue of \$34,500,000, it is believed that the year's income will in round numbers amount to \$35,300,000. It may be interesting to state in connection with this point that the columns of the *Statist* of the 5th February last, in reviewing the financial and commercial history of England for 1886, contain the following:—

"There is some cause for satisfaction at the general course of business throughout the year. People in business have shaken off their long languor and depression, have found at last that things have touched bottom, and have been more disposed to go ahead. There are many circumstances not altogether reassuring, and some trades, it would seem, have hardly participated in the general improvement; but on the whole, merchants are more cheerful, and an impetus has been given to trade which cannot but last a good while, unless some untoward event should happen."

Hon. gentlemen, I dare say, are aware that a very distinguished statistician, Mr. Giffin, is responsible for that statement. To notice the details of the estimate made above, it is expected that Customs will yield \$22,000,000; in Excise it was estimated that the yield would be \$7,000,000, but whether much of this yield was anticipated in the previous year, or whether the habits of the people are becoming more and more temperate, it is not thought by the officers of the Inland Revenue

Department that the income from this source will be more than \$6,000,000. The miscellaneous items will be about as estimated, viz., \$7,300,000, making a total of \$35,300,000.

Sir RICHARD CARTWRIGHT. You are now speaking of the present year ?

Sir CHARLES TUPPER. Yes. Turning to the expenditure side of the statement, we find that the whole sum expended to the 30th April last, as shown by the returns submitted to this House, has been \$25,983,548.30, from which as has been mentioned before, it is proposed to deduct and charge to capital \$210,085.52, miscellaneous charges in connection with the North-West rebellion. The further charges on the Consolidated Fund services will probably be :—To complete interest payments, \$4,500,000 ; sinking funds, \$600,000 ; and for miscellaneous services of all kinds and descriptions, \$4,760,000. It is probable, therefore, that the expenditure may be about \$35,600,000, leaving an apparent deficit at the end of the year of \$300,000, and I have no doubt it will be found when the year has expired, if the revenue comes up to the expectations formed, that this estimate will be about correct. I think, in view of the position in which we unfortunately found ourselves a year ago, it will be a matter of sincere congratulation to this House, as I am sure it will be to the people of this country, to know that we will close this year under existing circumstances with a deficit of no more than \$300,000—practically one account balancing the other, because that is so small an amount the slightest change will affect it one way or the other. I now come to the probable outcome for the year 1887-88, on which we must leave the ground upon which we have stood up to the present time of having tangible data as a basis and deal to a considerable extent with what we regard as probabilities.

As to the probabilities for the year commencing 1st July next, which are purely a matter of estimate, the Government believe that if the present state of trade continues, and they see no reason from present appearances of any diminution, and taking into account the changes in the tariff, the revenue from Customs will amount in round numbers to \$22,500,000. I am informed by the Commissioner of Inland Revenue that after close calculation, the result next year from Excise will be a revenue of \$6,400,000, of which, in round numbers, spirits will yield \$3,500,000 ; tobacco, \$1,600,000 ; cigars, \$710,000 ; and malt and malt liquors, \$400,000, the balance being made up of receipts from licenses and from miscellaneous sources. From miscellaneous revenues, including post office, railways, interest on investments and all other incomes, it is safe to assume that the amount realised will probably be \$7,500,000, making in all an estimated revenue during 1887-88 of \$36,400,000. Hon. members have before them the estimate of the expenditure likely to be made for the several services of the year 1887-88, and unless the hon. the Minister of Public Works should require further grants to complete services under his control, or to satisfy the requirements of the country, it is not likely that the Supplementary Estimates, to be brought down, will add largely to the sums therein shown to Parliament. Under these circumstances, the surplus

that is shown by the comparison of the amount of revenue, which I have just estimated at \$36,400,000, will give a very fair surplus for the coming year 1887-88, unless, as I have said, the Minister of Public Works should prove too strong for us, and obtain a larger amount than I hope he will find it necessary to ask. It is usual to enter into details explanatory of the variations in the several estimates of expenditure, and for the information of the House this plan will now be followed. Taking the capital expenditure during the year, it will be seen on examination of the Estimates, that as regards redemption of public debt, a sum of over \$870,000 will be required to take up bonds issued by the Province of New Brunswick prior to Confederation, which bear interest at the rate of 6 per cent., and which mature during the coming fiscal year. It will be found that so far from that being a cause of regret, it will be a source of advantage to the Government, because they will be enabled to reduce the charge for interest on those bonds from 6 per cent. to a much lower rate than we are now obliged to pay.

With regard to the expenditure under the charge of the hon. the Minister of Railways and Canals, it will be noticed that, in connection with the Canadian Pacific Railway, Parliament is only asked to vote \$180,000 to cover expenditure in British Columbia, against an authorised expenditure during the current year of \$922,000. For the Intercolonial Railway, there is an increase of expenditure required of about \$260,000; for construction account this House will be asked to vote less than last year, but in consequence of the estimated large increase in the traffic over the line, new rolling stock will have to be purchased to the extent of \$318,000. As will be seen on reference to the Estimates, Parliament will be asked to vote the sum of \$800,000 for the construction of the Cape Breton Railway, against an authorised expenditure for the current year of \$500,000. Coming next to the question of canals, an increase has been asked of about \$330,000. While the older canals require less money to complete the necessary works at present under construction, a new vote is asked for \$1,000,000 towards the construction of a canal at Sault Ste. Marie; and I may say that, so far as can be judged from the information in our possession, I believe that sum will be found entirely adequate for the construction and completion of that work.

The amounts chargeable to capital, under the control of the hon. the Minister of Public Works, will be reduced in consequence of the completion of the Esquimaux graving dock. The sum asked for the Public Building, Wellington street, is \$200,000, against \$110,000 for this year; for the construction of Port Arthur harbor and for Kaministiquia River, \$90,000, against \$70,000; and a revote will be required for Cape Tormentine harbor, \$100,000. The hon. the Minister of the Interior will require an extra sum of \$45,000 on capital account to provide for the payments for surveys, &c., in connection with Dominion Lands.

Turning now to the several items of Consolidated Fund expenditure, and taking first, interest of public debt, it will be found that an increased amount of \$380,000 is asked for. In round numbers this sum will be about what is required

for interest on deposits received and to be received from the savings banks. The sinking funds require an addition of about \$60,000, which, in fact, is the natural increase owing to the investment of the interest of the funds now held, and which is offset by the addition of that amount to the interest on investments. For Charges of Management there will be a small decrease, chiefly made up by the abolition of certain offices, the maintenance of which the requirements of the Dominion no longer demand. In Civil Government the increased charge is \$39,875, the major portion of which is made up of increases to the Department of the Interior and to the Post Office Department. These will be fully explained when the separate votes are under consideration; but it may be mentioned here that the services under these Departments are continually growing with the growth of the country, and cannot be kept at stationary figures as in the case of the other Departments. In Administration of Justice the total increase is \$18,100, made up of new services, as follows:—Maintenance of Prince Albert jail, \$5,000; new junior judge, County Court of Ontario, at \$2,000; five judges of Superior Court, North-West Territories, \$20,000, instead of \$12,000 as previously required, and the salaries of five sheriffs, at \$500 each. In Penitentiaries, the service having been thoroughly overhauled by my hon. friend, the hon. the Minister of Justice, there will be found a saving of \$3,356; and it is believed that when the scale of salaries which the House has been asked to sanction, is put into force, the service will be put on a better footing, and in the end a saving will be effected of some thousands of dollars. In Legislation there is an increase of \$102,375, almost the whole of which is to meet expenditure in connection with the Franchise Act, which it is estimated will require during the coming year \$200,000 against a vote of \$100,000 asked last year. In Arts, Agriculture and Statistics the increase asked for is \$82,333.33. Hon. members, on looking at the estimate for this service, will find that the sum of \$60,000 voted last year in connection with the Colonial and Indian Exhibition is dropped out, and similarly is omitted the \$15,000 to cover the expenses of the census of Manitoba, no further sum being required for those purposes. On the other hand, the hon. the Minister of Agriculture will require to set in operation and maintain the experimental farms, which it is expected will be in full working order during the coming year. For this service the sum of \$90,000 is asked, as against \$30,000 in the previous year.

Parliament will also be asked to vote, and that it will do so most cheerfully I have no doubt, £20,000 sterling as the contribution of Canada towards the Memorial of the Jubilee of Her Majesty's reign, viz., the Imperial Institute of the United Kingdom, the Colonies and India. I wish to say just here a few words in passing with reference to both those subjects, the great Colonial and Indian Exhibition and the proposed Imperial Institute. It would be impossible for me to find any language in which I could adequately do justice to the deep interest, the unwearied assiduity and the unfailing support given to the Colonial and Indian Exhibition by His Royal Highness the Prince of Wales. It is well known that the proposal to have a great Colonial and Indian Exhibition in London during the past year originated with his Royal Highness, and that he threw himself into that work with all the ardour and

assiduity that the most enthusiastic colonist could exhibit or desire. That exhibition was purely a Colonial and Indian Exhibition. No British exhibitor could find place in it for any British product whatever. The entire exhibition was confined to the display of the products of India and the Colonies, and when it is remembered that noblemen, private gentlemen and capitalists in England, subscribed no less than £150,000 sterling, as a guarantee for an exhibition in which no British exhibitor could exhibit anything belonging to the United Kingdom, the best possible evidence, I think, is afforded of the deep and abiding interest that is felt in England in regard to the Colonies and India. I need not speak of the success of the exhibition, because the Minister of Agriculture, under whom I had the honor of acting, has already laid on the Table of this House, a report which I made in regard to it, and in which will be found clearly and succinctly stated everything connected with the exhibition, which I thought would be of interest to the House. I may say, however, that out of the success of this great exhibition grew the proposal on the part of his Royal Highness the Prince of Wales, for the establishment of a permanent Colonial and Indian Institute.

But I must not pass away from the question of the Colonial and Indian Exhibition without, in the first place, tendering my warm thanks to my old colleagues, who gave such a warm and enthusiastic support to that measure, to the Parliament of Canada who sustained them in giving that support, and I also wish to tender my equally heartfelt and sincere thanks to the Governments of Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Manitoba and British Columbia for the zealous and hearty manner in which they co-operated with me and with the general Government in making that exhibition as thoroughly successful as it proved to be. And I feel it especially due to the Hon. Mr. Mowat, to the Hon. Mr. Fielding and the Hon. Mr. Blair, as gentlemen representing Governments which were not supposed to be exactly in harmony with the general Government, to say that I received from them and their colleagues just as hearty and enthusiastic support as I did in any other part of the country. I desire also to express my cordial thanks to the people of Canada—to the exhibitors, without whose hearty co-operation, and the zeal and assiduity with which they threw themselves into the work, that great exhibition could not have been attended with the beneficial and lasting results to Canada that I believe will attend it. In many cases they had a direct interest in doing so, because they had reason to believe that their exhibits would have the result of extending their trade and developing the industries in which they were engaged. But in many other cases, when no such hope existed, there was the patriotic desire, thoroughly exhibited and heartily carried out, of making this exhibition, irrespective of the expense involved to the exhibitors, all that the most enthusiastic Canadian could desire that it should be. I say that I believe that lasting beneficial results will accrue to Canada from that exhibition. It was found that we were enabled to take a high position, not only in the estimation of England, but I may say in the estimation of the world; for that exhibition was visited by hundreds of thou-

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sands of people, not only from the continent of Europe, but from the great Australian colonies and all the outlying portions of the Empire; and an impression has been produced that has tended to elevate Canada in the eyes of the world to a position that this country has never before occupied. The best evidence of that fact is that the *London Times*, which we do not always consider the most enthusiastic journal in regard to the interests of Canada, but which some of us have been inclined to believe has been more pro-Australian than pro-Canadian, covered a whole broadside of its issue with a minute and admirable account of the Canadian Court; and it has afterwards filled its columns again and again with statements showing the greatly advanced position Canada has attained. I say the best evidence is afforded by the attitude of that paper and other leading British journals, of the great advance Canada has made in connection with that exhibition. We had, of course, the additional advantage of the construction of the Canadian Pacific Railway, which has attracted the attention of the people of England and the people of all countries to the position we occupy to an extent that has also produced the most widespread and valuable influence upon our best interests.

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I am able here, Sir, to ask for a reduction of \$50,000 a year in the vote for the immigration service. My hon. friend the Minister of Agriculture and Immigration feels that, in consequence of the great advantage that Canada has secured in connection with that exhibition and in connection with the construction of the Canadian Pacific Railway and the efforts made by that company to disseminate information in regard to Canada, in which they are, of course deeply interested, all over the world, it is not necessary to ask for so large a sum, and we have reason to believe that the reduced amount will be productive of greater results, in connection with the influences to which I have referred, than would the larger amount. But, Sir, I want to say a single word in reference to the Colonial and Indian Institute. As is, I dare say, known to many hon. members of this House, I felt it my duty to visit this country in connection with that subject, when it was being actively pressed by His Royal Highness the Prince of Wales and the parties interested in it. I visited this country for the purpose of obtaining support and co-operation for that undertaking, and I must thank my old colleagues for the manner in which they responded to that application, by the pledge to ask Parliament to vote £20,000 sterling towards that Institute as a memorial of the Queen's Jubilee. It was found that Her Majesty preferred that the memorial to celebrate her reign should take the form of a Colonial and Indian Institute rather than any other form; and under these circumstances it was believed that no difficulty would be found in raising an adequate sum of money to permanently endow that institution, and to retain to India and the Colonies in the Institute the benefits which to some extent they enjoyed in connection with the exhibition then being held. And here I must repeat my thanks to all the Local Governments which I visited for the hearty manner in which they co-operated in the undertaking. They were satisfied that great benefits had accrued to Canada from the exhibition, and they were prepared to give the warmest support to the proposal for a Colonial Institute.

The proposal, as propounded by His Royal Highness, was, as you are aware, that it should be purely a Colonial and Indian Institute. That idea has been somewhat extended and enlarged. It was found that the commercial classes of England, the city men and others, felt that it was necessary in founding a memorial to Her Majesty in the form of an Institute, that the United Kingdom should be embraced as well as the colonies. I am not quite certain, Mr. Speaker, that we were not ourselves somewhat responsible for that change. I am afraid that our exhibition was a little too good. I am afraid the effect produced on the minds of a great many of the commercial and manufacturing classes in England was that Canada was becoming a rather dangerous competitor, and it was desirable that we should not have the field left entirely to ourselves. But, at all events, from whatever cause it arose, the result was that the committee appointed by His Royal Highness the Prince of Wales to revise the proposal as originally made, composed of the leading men of all classes and parties in England, decided that it was necessary that the United Kingdom should be embraced, and that it should be an Imperial Institute of the United Kingdom, the Colonies, and India; and here I propose to take the House into my confidence on a subject in which some little interest has been manifested. I was in communication, as I shall point out at a later period, with the Government in regard to a proposed treaty with Spain; and having received a letter from the Finance Minister on that subject, as well as a communication from my right hon. friend who leads the Government, in regard to the proposed Imperial and Colonial Institute, I felt that it was desirable that we should have personal communication on both of these questions. Under those circumstances I cabled to my right hon. friend to say that if he approved of it, I would take a run out to Canada so as to have an opportunity of discussing those two questions fully with him and his colleagues before proceeding any further. I received promptly his approval of my visiting Canada; and when I landed in New York I learned for the first time that a general election was to take place in this country. I not only learned it for the first time, but I will say with all frankness to the House that I was surprised at that information. I had previously learned the result of the Local elections that had just been held in the Province of Ontario; and while down to that period I thought it not unlikely that there might be an appeal to the people this season, after those elections I felt it was unlikely that any appeal would be made until after this Session of Parliament. I mention that in order to show that this important question was receiving my attention. Well, unhappily for myself, I may say, I visited this country; and after I arrived here my right hon. friend laid an embargo upon me, and I was obliged to leave all those enjoyments which have been so much decanted upon in this House and elsewhere; I was obliged to leave my comfortable residence in London and go into the campaign without that health or strength that I required for such a service. I may say that, notwithstanding the changed position of this question, so far as the colonial interest is concerned, I have no doubt every member of this House will be only too glad to vote the sum

of £20,000 sterling as our contribution to the Imperial Institute for the United Kingdom, the Colonies and India. Not only in consequence of the interest that we naturally feel in an institution of that kind, and which, I hope, will receive the cordial support of all classes of the people in this colony and in all other colonies, the but because we feel that if there is a portion of Her Majesty's dominions that has a right to be thankful for the blessings which have attended Her beneficent reign during the past fifty years, it is the people and Parliament of Canada.

So far, it may be said that all the estimates I have touched indicate increases, but I will just say here that I have naturally perused, as I suppose the hon. gentleman opposite used to peruse, the comments of the press, when he laid his estimates on the Table. I perused them with some interest, in the hope not only of finding something interesting but instructive; but while I have often found a disposition to criticise on the ground of extravagance, I have failed to see in a single instance any suggestion on the part of any portion of the press criticising these estimates, as to where the estimates as brought down could be reduced without injuring the best interests of the country. I can only say I shall be grateful to any of my hon. friends opposite or on this side who will point out any instance in which we may safely and judiciously pare down these estimates without interfering with that progress and development of the country which every person knows lies at the very foundation of Canadian prosperity.

Mr. MITCHELL. Will you pare them down if I make the suggestion?

Sir CHARLES TUPPER. Certainly. It is one of the privileges our Constitution gives to members of this House, that they may propose reductions in the Estimates; but, wisely and fortunately for us, they are not permitted to propose increases, or if I rightly recollect and know anything of my hon. friend, I am afraid he would propose an increase rather than a decrease.

Mr. MITCHELL. I am afraid it would not be acceded to.

Sir CHARLES TUPPER. Coming now to the estimate for Immigration, it will be found that there is a decrease of \$50,000, as we believe the time has come when this saving can be effected without detriment to the public interest, and without at all interfering with what is the great object of the Immigration Department and the Government, namely, to limit the immigration brought to this country to agriculturists, to farm laborers, domestic servants, and capitalists who have the means of entering upon the possession of land and its cultivation. In Quarantine, the same estimate is asked as was voted the previous year.

Taking next the service Pensions and Superannuation, the amount required is estimated at \$13,000 in advance of the provisions made in the previous fiscal year, and this increase is chiefly due to the new item for pensions to Mounted Police, Prince Albert Volunteers, and Police Scouts in connection with the rebellion of

1883. I was not here when the discussion on that subject took place, but I have no doubt that the House arrived at the wise decision that the services of these parties were entitled to recognition on the part of the House, in the same way as recognition has been given to the forces sent out specially to that country, for the purpose of suppressing the insurrection. An increase of \$57,000 is asked for Militia, of which \$47,000 is required for the batteries and the cavalry and infantry schools. A sum of \$10,000, a new vote, is asked for a barracks in British Columbia, which the hon. the Minister of Militia and Defence, when the House goes into Committee of Supply, will explain fully.

The House will now come to a series of estimates in connection with services in which it is proposed to effect a saving. And I hope I shall not meet with any opposition on the part of hon. gentlemen opposite in carrying out those intentions. There is first, Railways and Canals chargeable to income, where a saving is proposed of \$23,000, which is more than accounted for by the completion of the road system and bridge accommodation of the Lachine Canal. In the voluminous services under the control of the hon. the Minister of Public Works, it is proposed to affect a general saving, and it is hoped that as the works under that Department are now gradually arriving at completion, there may be a permanent saving under this head. One new item, however, for \$30,000 is introduced for buildings and fencing in connection with the Experimental Farm. The House wisely, I think, although I had not the pleasure of taking part in that discussion, arrived at the conclusion that the great farming interest of the country, that most vital and important interest, was entitled to the expenditure of a certain amount in connection with experimental farms, and I have no doubt that, wisely and judiciously administered, this expenditure will be a source of great profit, not only to the older portions of the Dominion, but especially to the new portion now being opened up for settlement. The decrease in the amount asked for Mail Subsidies and Steamship Subventions, arises from two items, the discontinuance of the votes for subsidies for steam services between the ports in the Gut of Canso, and between New Brunswick, Prince Edward Island and Great Britain. It is but right to state under this head that tenders have been invited for steam service between Canada and the West Indies, and it may be that a vote will also have to be submitted to Parliament in this connection.

With regard to Ocean and River Service there is an increase of \$81,550, of which maintenance and repairs of Government steamers require \$19,750, whilst the expenses in connection with the Canadian registration of shipping, including printing, require the balance of \$1,800. In Lighthouse and Coast Service, the net increase is \$3,500 on a service requiring over \$570,000. The increase is in the salaries and allowances of lighthouse keepers, and is spread all over the Dominion; and I am quite certain no one will recognise more than the hon. member for Northumberland (Mr. Mitchell) the wonderful economy which has been exhibited in that service, and I should not be surprised to hear from that hon. gentleman a complaint against

any proposal to reduce the expenditure. It is right, however, to note that the Cape Race light, which was recently transferred to the Dominion by the Imperial Government, is responsible for \$1,000 of this increase. It has been found practicable to reduce the requirement for Signal Service by \$1,500. There has been added to the grant for Meteorological Observatories \$5,000, of which full details are given in the Estimates, the increased cost of telegraphing, and the incidental expenses in connection with this service necessitating the increase. It is not proposed to ask for any additional amount on account of Marine Hospitals or Steamboat Inspection.

The estimates for Fisheries show a decrease of \$23,500, caused chiefly by a reduction of the amount to provide for the cost, maintenance and repairs of the Government protection steamers, as it is thought that the appropriation can be safely reduced to this extent. After revision it has been found that the requirements for the Geological Survey can be reduced by \$1,700. For Indian Affairs an increase, all told, is asked of \$2,619, and it is believed by the officers of that Department that the amount asked this year will not require to be supplemented. There is a decrease of \$16,500 in North-West Mounted Police, notwithstanding that the force has been reorganised and placed on a proper footing. This decrease is caused by the reduction of the amount for repairs, renewals, replacement of horses, &c. In Miscellaneous it will be found that there is an increase of \$100,000, entirely made up of the cost of plant required for the Government printing office and bindery, and this being a first cost will not be a permanent charge.

Mr. MITCHELL. How much?

Sir CHARLES TUPPER. \$100,000, and that is expected to cover the entire service. Not only the entire service, but, as before stated, it is practically a capital charge, although not placed to capital account. It is a charge for the service, which, once provided, will not require to be repeated.

Coming to Collection of Revenues, under the head of Customs, it will be seen that the hon. the Minister of Customs for the service under his control requires an increase of \$28,300, full details of which are given in the Estimates, and further explanation will be given by my hon. friend when the vote is being discussed in committee. I may say in passing, if there is an hon. Minister to whom the House is always disposed to give anything he asks, it is my economical friend who administers the Customs Department. Suffice it to say, however, that more than half of the increase is at the port of Montreal. In Excise the increase asked for is about \$14,000, being made up of increases of salary to the outside officers of that branch; increase for the preventive service; and an additional amount to enable the Department to purchase wood-naphtha and similar articles, for issue to bonded manufacturers, a charge which is, of course, more a matter of account than anything else, because the bonded manufacturers are bound to refund the money. In Weights and Measures there is an increase of \$3,750, for salaries, rent, fuel and &c. Railways and Canals chargeable to collection of Revenue require an additional amount of \$235,837, of

which repairs and working expenses of railways take \$224,600, caused mainly by the additional sums asked for locomotive power and car expenses and maintenance of the Intercolonial Railway.

I may say in reference to that, that the House ought always to receive with great satisfaction a proposal to charge to capital account any sum for the Intercolonial Railway, and for this reason, that my hon. friend the Minister of Railways is never able to ask a single dollar to be charged to capital account for that service except for the purpose of providing additional rolling stock to meet new and increased business. The larger the sum, therefore, that my hon. friend is able to show to the House that he is entitled to receive as chargeable to capital for the Intercolonial Railway, is the strongest and clearest evidence of the progress and development of the country and of the increased freight which is being carried over the Intercolonial Railway; because that is the only ground upon which he can ask that a dollar should be put to capital account. My hon. friend tells me, and the House will be glad to hear it, that the business on the Intercolonial Railway, the freight carried over it, has doubled since 1876, and I could give this House no better evidence of the remarkable and steady progress the country is making than the statement contained in those words. There is also included in this amount the charge for maintenance of the Eastern Extension Railway, and for car expenses, Prince Edward Island Railway. The small increase outside of railways under this service, is due to an increase in the amount asked for repairs and working expenses of canals. Public Works chargeable to Collection of Revenue will require a decreased sum of \$26,000, caused by a reduction of the amount for telegraph lines in British Columbia by \$28,000.

Under the head of Post Office, a total increase of \$95,864 is asked, and taking into consideration the great increase in the business of the Department which is constantly taking place, the additional amount asked from Parliament is comparatively small. Those who will take the trouble to read the statement of the late Minister of Finance, as to the development of the Post Office up to a year ago, and will observe the enormous increase in the number of letters sent, in the mileage which is constantly taking place in that Department, will find in it a complete justification for this increase, and the best possible evidence of the steady progress and development that our country is making. There only now remains an increase of \$16,872 to be noticed in Dominion Lands chargeable to Collection of Revenue, and this is made up of a variety of causes, which will be explained by the hon. the Minister of the Interior when the House is in committee.

DEBT AND EXPENDITURE.

As a good deal of discussion has taken place in this House, and especially out of this House, on the extent of the public debt, I intend to offer to the House a few statements in regard to that very important question.

I propose to present to the House certain statistics in regard to the debt of the Dominion, and the expenditure since Confederation for capital charges. On the first

of this month the gross debt of the Dominion stood at \$270,072,853.27, and the net debt, \$225,105,961.08, being a decrease of net debt in the month of April of \$759,870.01. I may say, at once, that I would deduct from both the gross debt and the net debt, for all practical purposes, \$10,000,000, and that because it is represented by a thoroughly good and available asset, in the shape of the lands obtained from the Canadian Pacific Railway Company in payment of \$10,000,000 of their debt.

Some hon. MEMBERS. Hear, hear.

Sir CHARLES TUPPER. I am glad to find that that statement meets with the approval of hon. gentlemen opposite, and I knew it would meet with their approval, because, when I am able to congratulate myself and the Government and the country on the fact that we had been enabled to make an investment of \$10,000,000 in the purchase of lands at \$1.50 an acre, which these gentlemen estimated a few years ago at \$3, \$4 or \$5 an acre, the House will see that I am not only justified in striking off \$10,000,000 from our debt, but also in congratulating the country on making a very excellent bargain. There is this great advantage also, that one of the most formidable charges made against the contract between the Government and the Canadian Pacific Railway Company, and a charge which I always felt had a great deal of force in it—perhaps I felt it even more strongly upon that occasion than I expressed to the House—was the fact that that contract handed over twenty-five million acres of the domain of Canada—a great country of itself—to a single company. Therefore, we not only had the good fortune, by making this arrangement, to obtain this land from the Canadian Pacific Railway Company, reducing the principal objection which I think could be brought against that contract in regard to the large monopoly of land in the hands of one company, but we obtained it on terms which I am sure will result at no distant day in replacing all that money and more in the Treasury of Canada. I may say that the Canadian Pacific Railway Company did not receive \$1.50 an acre for the land. It cost the Government \$1.50 an acre nominally to obtain it, but it must not be forgotten that a part of the arrangement required the payment by the Canadian Pacific Railway Company of \$20,000,000 in cash, that the Government could not call upon them to pay for five years; and that it was at the time of this unfortunate insurrection in the North-West, as my hon. friends opposite will fully recognise, very undesirable to go back to the English market and ask for a loan of \$20,000,000 only one year after we had been to that market, very undesirable that we should go to that market under such very disadvantageous circumstances, with a falling revenue and an insurrection in the North-West, circumstances that were likely to be made use of by all parties who were interested in depreciating the securities of Canada. Not only was that the case, but the Canadian Pacific Railway Company, in order to secure the purchase of their lands by the Government at \$1.50 an acre, had to provide that \$20,000,000 in cash. How did they do it? They had to do it, Sir, by substituting 5 per cent. bonds for the payment of a debt of \$20,000,000 on which they were only obliged to pay 4 per cent. for five years. The Government were, under the arrangement, only entitled to 4

per cent., but to raise the money to pay this debt the Canadian Pacific Railway had to float their bonds, and they were floated at a small discount on 5 per cent. bonds, so that at least, at the very best calculation, they lost a million dollars in interest in order to make a sale of the lands, and that reduced the amount received by the Canadian Pacific Railway Company per acre for their lands to \$1.35, which was all, therefore, that they received. I mention that in passing, merely. But, Sir, I have not taken that into account here: I may explain to the House that this increase which accounts for more than the total increase of the debt last year, is more than accounted for by that purchase of lands which we hold at \$1.50, which were estimated a very short time ago by hon. gentlemen opposite to be worth \$3 or \$4, or \$5 an acre, and I should be extremely glad if, at no distant day, their highest estimate were realised. Well, Sir, at Confederation the net debt, by the Public Accounts, was \$75,728,641.37, which deducted from the present net debt shows an increase since 1867 of \$149,377,319.71.

Let us now examine how this large sum has been expended; because I need not say to the House, that everything depends upon what there is to show for the debt. Suppose that it represented war, as the great increase of the debt of England represents; suppose it represented war, as the great increase of the debt of the great Republic to the south of us represents—we would then have serious cause to be alarmed, we would have serious cause for regret, at finding so large an increase in the net debt of the country. But, Sir, if, instead of representing war, instead of representing that which would deteriorate and injure the country, it represents valuable public works, works that are not only constructed for the purpose, but are calculated rapidly to develop the country, to increase its progress and prosperity, and to make an abundant indirect return to the revenue of the country for the expenditure, then, I think, you will all agree with me that there is no cause for alarm, no cause for anxiety. Now, let us examine that. I find that since Confederation to the 1st of July last, increased grants have been allowed to Provinces to the extent of \$30,743,392.69. Now, Sir, that will not become a question of controversy here, for the good and sufficient reason that it was the policy sustained by an overwhelming majority of the members of both sides, of the most independent and intelligent members of this House, as a sound and wise policy. Therefore, no exception will be taken to that, and we may fairly deduct that from the increased net indebtedness, because it was not an expenditure, it was a transfer from the Provinces to the Dominion. Dominion Lands chargeable to capital, to the same date, \$2,566,689.36; and, Sir, no person would be found at the present day who will question that sum as a wise and judicious expenditure. Eastern Extension Railway, \$1,286,551.68; the Intercolonial, \$11,226,348.15; the Canals, \$32,132,280.73; the Miscellaneous Public Works, in which are included the Public and Departmental buildings Ottawa, the Esquimalt Graving Dock, the land and cable telegraph lines, and the harbors at Cape Tormentine and Port Arthur, \$2,947,723.65; the North-West Territories, cost and organisation, \$2,920,000; the Pacific Railway, \$60,864,430.61, to which should be

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added the amount of debt cancelled by return of lands, \$10,183,521.33, or, in all for the Pacific Railway, \$71,053,951.94; the Prince Edward Island Railway, \$212,288.27, and the Short Line Railway, \$181,801.83. In addition it may be mentioned that various railways have received subsidies in accordance with the several Acts passed by the Dominion Parliament, to the extent of \$3,312,494.

All these charges so far as shown, are to the close of the last fiscal year; since that date and to the first of the present month further sums have been paid for the before mentioned services to the extent of \$4,706,062.46. The aggregate of the several sums just mentioned, to the 1st May, is \$183,292,584.76, and the net debt to the same period showed an increase since Confederation, as before stated, of \$149,377,319.71, from which it will be seen that in addition to making due provision for all ordinary expenditure, in addition to building custom houses, post offices and other public buildings throughout the Dominion, in addition to providing for an efficient lighthouse system, Canada has paid for the several capital charges since Confederation the large sum of \$33,915,265.05 beyond the increase in the net debt. Or, if we take these figures in another way and exclude from the increase of the net debt \$149,377,319.71, the several allowances to the Provinces \$30,743,392.69, and taking the balance \$118,633,927.02 as for public works only, it will be found that for the three large services before mentioned namely, the Pacific Railway, the Intercolonial Railway and the canals, the cost has been \$134,412,590.82, or \$15,778,653.80 more than the whole net debt exclusive of the allowances to the Provinces.

So, Sir, I think, in view of the statements I have made to the House, hon. gentlemen opposite will be relieved, and every person who has reflected upon this matter will be relieved from the apprehension that the Government of Canada are recklessly plunging the country into indebtedness for anything of an unjustifiable nature, and that for all our net debt, there are large and most valuable public works, works of such value and of such importance to the country, that I am quite sure that my hon. friend opposite—if he has a recollection of the speech that he delivered, standing here in 1874, when he conjured up before our imagination an outlook as to the liabilities in connection with the Canadian Pacific Railway in the face of which this entire increased indebtedness would sink into insignificance—will now feel that he may congratulate the House and congratulate us upon occupying the position of having accomplished that great transcontinental highway, having not only completed the Intercolonial Railway, but extended a great line of intercommunication from sea to sea, linking all these Provinces together, and accomplishing that which at no distant day will be a great highway of intercommunication between Europe and the East—I say he will congratulate us upon occupying a position of a very enviable character. There is this also to be borne in mind that, great as is this expenditure, it is all for works that once done never require to be repeated.

TRANSCONTINENTAL RAILWAY.

There is no man in Canada, there is no man in this House or out of it, who will not say that it is not of the most vital importance to Canada, that it is not a

matter of absolute necessity at this hour, that we should have a great iron band of intercommunication binding all these various Provinces together, and giving us the means of free and rapid and easy intercourse from one portion of our country to another. In order to accomplish that gigantic work—which we have accomplished, and far below the expenditure which hon. gentlemen contemplated would be involved by Canada—in order to complete it even at a remote period, the boldest of us felt that, necessary as it was to engage in it, there was a danger that it would strain the credit of Canada. We all felt that it was a gigantic undertaking for the Government of Canada, representing as it did a population of only five millions of people, to carry out that which is now regarded, in connection with our population and the time occupied in its construction, as the most marvellous and wonderful work of the age. I repeat that the boldest of us felt that it might strain the credit of Canada, but we felt also that there was no alternative; that if this country was to be bound together, if we were to make Confederation a fixed fact, it was necessary to bring the remotest Provinces into easy and rapid communication with the centre of the country. We all felt the vital importance of opening the enormous fertile North-West Territory for settlement and for population. We all felt the vital importance of developing the trade and commerce of Canada, and bringing all the trade and commerce through Canada that it was possible to bring. But as I have said we had our misgivings as to whether it might not strain to some extent the credit of the country. What is the fact? The fact is we have this gigantic work in full progress, we have the earnings rolling up in millions from year to year, altogether exceeding anything that the most sanguine man in this House contemplated in connection with the project; and we find ourselves in this position, that instead of the credit of the country being strained, it is now standing at the very highest point it ever attained. When we proposed to undertake grappling with this great work, my hon. friend opposite (Sir Richard Cartwright) knows that our three and a-half per cents were selling on the English market at about 90. To-day I am in a position to congratulate this House and the country, that, so highly favored are the securities of Canada, so eminently has the position of Canada advanced in the estimation of the capitalists of the world, our three and a-half per cent. securities have already changed hands at par.

Before passing away from the Canadian Pacific Railway, and what it has done for the country, I should like to allude to the fact, that during the five months of last year—I am now speaking of it as a through line of intercommunication—although the line was only open for five months of last year, during that period seven cargoes of tea and other commodities were brought over the line from China and Japan to the principal cities of Canada, and to St. Paul, Chicago, New York and other points in the United States; and that only from seven to eight days were consumed in delivering freight from Vancouver to Montreal and New York. Not only so, but there has been a most gratifying increase in the development of traffic over the road. As indicated in the following comparison of earnings for the past three years, the growth

of local traffic has also been most satisfactory, and there is every prospect that this growth will be even more rapid in the future :

| | 1884. | 1885. | 1886. |
|----------------------------------|----------------|--------------|---------------|
| Passengers..... | \$1,980,902.30 | 2,859,222.93 | 3,170,713.69 |
| Freight..... | 3,410,365.39 | 4,881,865.48 | 6,112,379.89 |
| Mails..... | 85,736.83 | 137,151.92 | 205,024.18 |
| Express..... | 95,671.69 | 172,303.01 | 206,872.41 |
| Parlor and sleeping cars..... | 43,492.60 | 73,523.55 | 118,658.99 |
| Telegraph and miscellaneous..... | 134,352.47 | 244,426.08 | 263,154.43 |
| Total..... | \$5,750,521.27 | 8,368,493.12 | 10,091,803.59 |

I presume it is not necessary to add another word in order to show this House and the people of Canada the advanced position we have reached in connection with this work.

PRESENT POSITION OF CANADA.

I now propose to say a few words in regard to the position Canada has attained. I have already stated to the House that I do not propose to institute any invidious comparison between the Administration of hon. gentlemen opposite and ourselves. I propose to take a wider range. I propose, and I shall occupy but very little time in doing it, to give to this House the evidence that the position of Canada at the present moment is one of which we might be justly proud. I have referred to our position in connection with the construction of that great national work, and I have referred to the very important condition of our credit in that relation. But I am happy to be able to say that I do not expect to be obliged to use that credit, high and great as it is. I am happy to be able to tell the House that at this moment we have no floating debt, that there is not one dollar of floating loan chargeable to Canada. I am also able to give the gratifying assurance to this House that the Government have no expectation of being obliged to resort to the capitalists of England for any new loan for a long period to come; and I am quite sure that this is a statement which no Finance Minister has had the good fortune to be able to make for a very long time past. The great works that were essentially necessary to the progress and development of Canada have been completed, and we anticipate that the income from the savings banks, the money deposited by the savings bank depositors with us, will be quite equal to meet the capital required to take up the New Brunswick loan, which shortly becomes due, and meet any other incidental capital charges that may fall upon the Government.

I have been asked by many parties to consider the question of a reduction of the rate of interest we pay depositors in the savings banks. I do not propose to entertain that proposition, and for this reason: That gratifying as that might be to the banking institutions, there is something still more important to which the Government are bound to look, and that is, the giving of due encouragement to the wage-earners, to the working classes of this country, the giving to them the strongest incentive to save instead of spending their earnings. I may say that the result of the reduction of the rate of interest payable by the Government to them would not be warranted, for the reason that, although we might obtain money at a somewhat lower

rate than the 4 per cent. we pay to the depositors, when all the charges incidental to it are taken into consideration, I do not think that the balance would be such as at all to justify the Government in taking a step that strikes me as being one that would be greatly prejudicial to the great mass of the working classes of this country.

Sir RICHARD CARTWRIGHT. Will the hon. gentleman permit me to ask him a question?

Sir CHARLES TUPPER. Yes.

Sir RICHARD CARTWRIGHT. I would ask if in these statements, which I suppose include a statement of the savings banks, there is given the amount held, over the sum of \$500, and those over the sum of \$1,000.

Sir CHARLES TUPPER. No, I have not gone into that statement, although I shall be very glad to discuss the matter with the hon. gentleman, because I am disposed to think there is a point in it, and, as the Government are not anxious to draw money from any source, I am inclined to think that the time has come when it may be worth while to see that the savings banks are used for the proper and legitimate objects for which they were instituted.

Now, in order, as I have said, to save the time of the House, and avoid going over the rather tedious details of these comparative statements, showing the position we occupy, I have had diagrams* constructed—not diagrams to illustrate the position of public affairs on these questions, as between the two political parties of the country, but taking a wider range, going back to the commencement of Confederation, the time when in the interests of Canada the great step was taken of uniting those Provinces together, and showing the progress Canada has made.

Now, I may say that the first of these diagrams shows the deposits by the people in the chartered banks, commencing with Confederation, and giving the eighteen years from 1868 to 1886, inclusive. These figures, which may be seen at a glance in the diagram, make a very gratifying exhibit of how steadily and rapidly the country has advanced, as shown by the evidence of the deposits of the people in the chartered banks of Canada:

DEPOSITS BY THE PEOPLE IN THE CHARTERED BANKS OF CANADA.

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| 1868 (June 30)..... | \$32,808,104 | 1878 (June 30)..... | \$66,503,757 |
| 1869..... | 38,823,333 | 1879..... | 63,635,952 |
| 1870..... | 50,767,100 | 1880..... | 77,891,498 |
| 1871..... | 55,763,067 | 1881..... | 86,507,571 |
| 1872..... | 53,986,818 | 1882..... | 99,100,729 |
| 1873..... | 55,547,607 | 1883..... | 99,364,750 |
| 1874..... | 65,991,047 | 1884..... | 92,413,313 |
| 1875..... | 58,367,942 | 1885..... | 99,383,673 |
| 1876..... | 63,320,858 | 1886..... | 103,583,950 |
| 1877..... | 63,241,128 | | |

*See Appendix for Diagrams.

Then the deposits in the savings banks cover the same period :

DEPOSITS IN SAVINGS BANKS OF CANADA.

| | | | |
|---------------------|--------------|---------------------|--------------|
| 1868 (June 30)..... | \$ 4,360,692 | 1878 (June 30)..... | \$14,222,074 |
| 1869..... | 5,723,567 | 1879..... | 14,702,715 |
| 1870..... | 7,591,978 | 1880..... | 18,237,496 |
| 1871..... | 9,367,941 | 1881..... | 24,331,202 |
| 1872..... | 10,526,376 | 1882..... | 31,088,718 |
| 1873..... | 12,933,894 | 1883..... | 35,189,426 |
| 1874..... | 15,101,195 | 1884..... | 38,003,116 |
| 1875..... | 14,125,477 | 1885..... | 41,101,776 |
| 1876..... | 13,833,201 | 1886..... | 45,72,886 |
| 1877..... | 13,391,014 | | |

ALSO THE DISCOUNTS GIVEN BY THE CHARTERED BANKS OF CANADA.

| | | | |
|---------------------|---------------|---------------------|-------------|
| 1868 (June 30)..... | \$ 50,500,316 | 1878 (June 30)..... | \$124,88,52 |
| 1869..... | 53,572,307 | 1879..... | 122,501,537 |
| 1870..... | 62,252,569 | 1880..... | 118,916,970 |
| 1871..... | 83,989,756 | 1881..... | 144,139,875 |
| 1872..... | 107,354,115 | 1882..... | 177,521,800 |
| 1873..... | 117,646,219 | 1883..... | 177,222,669 |
| 1874..... | 133,731,260 | 1884..... | 160,459,183 |
| 1875..... | 123,786,038 | 1885..... | 158,209,174 |
| 1876..... | 128,645,238 | 1886..... | 165,044,608 |
| 1877..... | 126,169,577 | | |

Then I give the total imports into Canada, in the several years from 1868 to 1886 and they show a most satisfactory increase, notwithstanding the large decrease arising from of the active condition of so many great industries in Canada :

TOTAL IMPORTS OF CANADA.

| | | | |
|---------------------|---------------|---------------------|---------------|
| 1868 (June 30)..... | \$ 73,459,644 | 1878 (June 30)..... | \$ 93,081,787 |
| 1869..... | 70,415,165 | 1879..... | 81,564,427 |
| 1870..... | 74,814,839 | 1880..... | 86,489,747 |
| 1871..... | 96,092,971 | 1881..... | 105,330,840 |
| 1872..... | 111,430,527 | 1882..... | 119,419,500 |
| 1873..... | 128,011,281 | 1883..... | 132,254,022 |
| 1874..... | 128,213,582 | 1884..... | 116,397,043 |
| 1875..... | 123,070,283 | 1885..... | 108,941,486 |
| 1876..... | 93,210,346 | 1886..... | 104,424,561 |
| 1877..... | 99,329,961 | | |

TOTAL EXPORTS OF CANADA.

| | | | |
|---------------------|--------------|---------------------|--------------|
| 1868 (June 30)..... | \$57,567,888 | 1878 (June 30)..... | \$79,323,667 |
| 1869..... | 60,474,781 | 1879..... | 71,491,255 |
| 1870..... | 73,573,490 | 1880..... | 87,911,458 |
| 1871..... | 74,173,618 | 1881..... | 98,790,823 |
| 1872..... | 82,639,663 | 1882..... | 102,137,203 |
| 1873..... | 89,789,922 | 1883..... | 93,085,804 |
| 1874..... | 89,351,928 | 1884..... | 91,406,496 |
| 1875..... | 77,896,979 | 1885..... | 89,238,361 |
| 1876..... | 80,966,435 | 1886..... | 85,251,314 |
| 1877..... | 75,875,393 | | |

Then, Sir, we have the tonnage employed in the shipping of the country, showing an increase of over one million of tons, notwithstanding, as every person knows, how very depressed that industry has been :

SHIPPING EMPLOYED, NOT INCLUDING COASTING VESSELS.

| Ton Register. | | Tons Register. | |
|---------------|------------|----------------|------------|
| 1868..... | 12,983,825 | 1878..... | 12,054,890 |
| 1869..... | 10,461,044 | 1879..... | 11,646,812 |
| 1870..... | 11,415,870 | 1880..... | 13,577,845 |
| 1871..... | 13,126,028 | 1881..... | 13,802,432 |
| 1872..... | 12,808,160 | 1882..... | 13,379,832 |
| 1873..... | 11,748,997 | 1883..... | 13,770,735 |
| 1874..... | 11,399,857 | 1884..... | 14,369,026 |
| 1875..... | 9,527,155 | 1885..... | 14,084,712 |
| 1876..... | 9,911,199 | 1886..... | 13,969,232 |
| 1877..... | 11,091,244 | | |

For the coasting trade I have no data earlier than 1876:

COASTING TRADE—TONNAGE EMPLOYED.

| Tons. | | Tons. | |
|-----------|------------|-----------|------------|
| 1876..... | 10,300,939 | 1882..... | 14,791,064 |
| 1877..... | 8,968,862 | 1883..... | 15,693,566 |
| 1878..... | 11,047,661 | 1884..... | 15,473,707 |
| 1879..... | 12,086,633 | 1885..... | 15,944,421 |
| 1880..... | 14,053,013 | 1886..... | 16,368,274 |
| 1881..... | 15,116,766 | | |

The railway mileage is another evidence—and one of the most marked and striking evidences that possibly any country in the world can show—of the rapid and steady progress that Canada has made, and in that respect, as the House knows, we are still rapidly and steadily increasing:

RAILWAYS IN CANADA.

| June 30. | Miles. | June 30. | Miles. |
|-----------|--------|-----------|--------|
| 1868..... | 2,522 | 1878..... | 6,143 |
| 1869..... | 2,580 | 1879..... | 6,255 |
| 1870..... | 2,679 | 1880..... | 6,891 |
| 1871..... | 2,950 | 1881..... | 7,260 |
| 1872..... | 3,018 | 1882..... | 7,530 |
| 1873..... | 3,609 | 1883..... | 8,726 |
| 1874..... | 4,022 | 1884..... | 9,575 |
| 1875..... | 4,826 | 1885..... | 10,773 |
| 1876..... | 5,157 | 1886..... | 11,618 |
| 1877..... | 5,574 | | |

The next table shows the number of tons carried, and with respect to it I have only data which enable me to go back to 1876; but as will be noticed, between that year and 1886, the tonnage of freight carried has considerably more than doubled, so that my hon. friend the Minister of Railways will not be alone in the ability to boast that the tonnage on his roads has more than doubled since 1876, for the tonnage of the whole of the railways of Canada has a good deal more than doubled during that period:

RAILWAYS IN CANADA—TONS CARRIED.

| Tons. | | Tons. | |
|-----------|------------|-----------|------------|
| 1876..... | 6,331,757 | 1882..... | 13,575,797 |
| 1877..... | 6,859,796 | 1883..... | 13,266,255 |
| 1878..... | 7,883,472 | 1884..... | 13,712,269 |
| 1879..... | 8,328,810 | 1885..... | 14,659,271 |
| 1880..... | 9,938,858 | 1886..... | 15,608,128 |
| 1881..... | 12,035,325 | | |

Then, Sir, there is another indication, and perhaps one of the most conclusive of the condition of the great mass of the people—and I am not speaking of the working classes, merely, but of the great body of the people who require to have some regard for the future—and that is life insurance. I am only repeating a very trite observation, the originality of which is certainly not due to myself, in saying that there are few indications of the condition and the prosperity of the people which surpass that of the ratio of life insurance. It is found that just in proportion as a country is prosperous and the people well off, they naturally and prudently invest their savings in life insurance, and the figures in regard to Canada are, in this respect, very striking indeed :

LIFE INSURANCE IN CANADA—NET AMOUNT IN FORCE.

| | | | |
|------------|--------------|------------|--------------|
| 1869 | \$35,680,083 | 1878 | \$84,751,937 |
| 1870 | 42,694,712 | 1879 | 85,273,702 |
| 1871 | 45,825,935 | 1880 | 90,280,293 |
| 1872 | 67,234,684 | 1881 | 103,290,932 |
| 1873 | 77,500,896 | 1882 | 115,042,048 |
| 1874 | 85,716,325 | 1883 | 124,196,875 |
| 1875 | 81,560,752 | 1884 | 135,453,726 |
| 1876 | 84,344,916 | 1885 | 148,982,146 |
| 1877 | 85,687,903 | 1886 | 171,309,698 |

Fire insurance is not, perhaps, an equally strong test, although it also is a very conclusive one, for although people ought to use fire insurance in proportion to their poverty, we find, as a matter of fact, that the rule is just the reverse—that they insure in proportion to their ability to do so. The figures in this respect are also very gratifying, indicating that the Canadians are not only a prosperous, but a prudent people, as regards fire insurance :

FIRE INSURANCE IN CANADA—AMOUNT AT RISK.

| | | | |
|----------------------|---------------|----------------------|---------------|
| 1869 (Dec. 31) | \$188,359,809 | 1878 (Dec. 31) | \$409,899,701 |
| 1870 | 191,594,586 | 1879 | 407,357,985 |
| 1871 | 278,453,784 | 1880 | 411,563,271 |
| 1872 | 251,722,940 | 1881 | 462,210,968 |
| 1873 | 278,754,835 | 1882 | 526,856,478 |
| 1874 | 306,848,219 | 1883 | 572,264,041 |
| 1875 | 364,421,029 | 1884 | 605,507,789 |
| 1876 | 454,608,180 | 1885 | 611,794,479 |
| 1877 | 420,342,681 | | |

Then as to business failures I have no data which go back beyond 1873 :

BUSINESS FAILURES IN CANADA.

| | | | |
|----------------------|--------------|----------------------|--------------|
| 1873 (Dec. 31) | \$12,334,000 | 1880 (Dec. 31) | \$ 7,988,000 |
| 1874 | 7,696,000 | 1881 | 5,751,000 |
| 1875 | 28,843,000 | 1882 | 8,567,000 |
| 1876 | 25,517,000 | 1883 | 15,872,000 |
| 1877 | 25,523,000 | 1884 | 18,939,000 |
| 1878 | 23,908,000 | 1885 | 8,743,000 |
| 1879 | 29,347,000 | 1886 | 10,387,000 |

I think, Sir, I need not detain the House longer to show, and I am quite sure every member of the House will agree that these statistics afford the most reliable data for ascertaining the condition of the country, and that the present outlook of Canada is one of the most gratifying character.

I have already alluded to the courses which were drawing an increased number of immigrants into this country. I may say that the total arrivals, from the 1st of January to the 30th of April, 1886, were 22,723, while during the same period in 1887, the number has run up to 30,864. Of these the total number who settle in Canada was, in 1886, 12,666, against 17,609, in 1887, or an increase of over 5,000 settlers as compared with the same four months of the previous year. The total number of passengers to the United States through Canada, and I state this, because while we prefer immigrants, especially those with agricultural capabilities and those with capital, to remain in the country, we have no objection to any number of persons who are going to the United States, making use of Canadian channels of communication to get there—the total number of passengers to United States was 10,057 in that period in 1866, and 13,255 in the same period in 1887.

Then, Sir, I will refer for a single moment to another evidence—which will probably be regarded by the House as more conclusive than all of those to which I have alluded—of the fact that we have passed the period of serious depression which Canada has suffered in recent years, and that the outlook for the future is all that we can possibly desire. I speak of it as a serious depression, and I notice that some hon. gentlemen opposite look almost incredulous, and why? Not because the same depressing causes and influences have not been in operation in Canada that have been in England, the United States and all other countries, but because here depression has been almost unfelt. Instead of suffering as the country suffered during the previous period of depression which visited Canada, we have passed through a period of almost equal depression without scarcely knowing it, and why? Because, Sir, the changed policy of the country, the activity of our industries, the employment given to our own people, the keeping of the money in the country and distributing and expending it among our people, and the great expenditure in connection with the Canadian Pacific Railway have enabled Canada to pass through what would otherwise probably have been as serious a depression as existed before, without hardly knowing that such a thing as depression existed.

Now, Sir, with regard to revenue, I am able to state to the House that the Customs revenue, the Excise revenue and the miscellaneous revenue all show a steady, marked and valuable increase for the last ten months of the year; and comparing 1885-86 with 1886-1887 the only exception that will be found in the following table—and its perusal will be most gratifying to every member of the House—refers to those periods in 1885-86, when the anticipated changes in the Tariff led to a very inordinate amount of revenue being collected in one or two months. That, however, of course does not affect the general statement, because it was simply discounting the revenue.

Customs—
1885-
1886-

Excise—
1885-
1886-

Miscellaneous—
1885-
1886-

Total Revenue—
1885-
1886-

Aggregate—
1885-
1886-

Customs—
1885-
1886-

Excise—
1885-
1886-

Miscellaneous—
1885-
1886-

Total Revenue—
1885-
1886-

Aggregate—
1885-
1886-

COMPARATIVE STATEMENT of Receipts for Years 1885-86 and 1886-87.

| Service. | July. | August. | September. | October. | November. |
|---------------------------|--------------|--------------|----------------|----------------|----------------|
| | \$ cts. | \$ cts. | \$ cts. | \$ cts. | \$ cts. |
| Customs— | | | | | |
| 1885-86..... | 1,587,706 24 | 1,739,895 62 | 1,744,459 54 | 1,680,142 37 | 1,294,879 37 |
| 1886-87..... | 1,703,973 90 | 1,861,228 29 | 2,374,244 79 | 1,856,115 40 | 1,518,614 36 |
| | + 116,267 66 | + 121,332 67 | + 529,785 25 | + 177,973 03 | + 223,734 99 |
| Excise— | | | | | |
| 1885-86..... | 304,346 47 | 305,107 18 | 252,742 20 | 442,794 14 | 471,123 35 |
| 1886-87..... | 351,753 69 | 476,152 90 | 420,019 29 | 497,950 54 | 525,568 82 |
| | + 47,407 22 | + 171,045 72 | + 167,277 09 | + 55,156 40 | + 54,445 47 |
| Miscellaneous— | | | | | |
| 1885-86..... | 436,638 52 | 458,073 58 | 402,970 31 | 595,777 00 | 631,618 84 |
| 1886-87..... | 447,325 17 | 618,983 84 | 403,940 82 | 616,395 38 | 675,641 40 |
| | + 10,686 65 | + 160,910 26 | + 100,970 51 | + 20,618 38 | + 44,022 56 |
| Total Revenue— | | | | | |
| 1885-86..... | 2,332,691 23 | 2,502,876 38 | 2,501,172 05 | 2,718,713 51 | 2,397,621 56 |
| 1886-87..... | 2,503,052 76 | 2,886,365 03 | 3,098,204 90 | 2,972,461 32 | 2,719,844 58 |
| | + 170,361 53 | + 383,488 65 | + 597,032 85 | + 253,747 71 | + 322,203 02 |
| Aggregate Revenue— | | | | | |
| 1885-86..... | | 4,835,567 61 | 7,336,739 66 | 10,055,453 17 | 12,453,074 73 |
| 1886-87..... | | 5,369,417 79 | 8,487,622 69 | 11,460,084 01 | 14,179,998 59 |
| | | + 533,850 18 | + 1,150,883 03 | + 1,404,630 84 | + 1,726,923 86 |

| Service. | December. | January. | February. | March. | April. |
|---------------------------|----------------|----------------|----------------|----------------|---------------|
| | \$ cts. | \$ cts. | \$ cts. | \$ cts. | \$ cts. |
| Customs— | | | | | |
| 1885-86..... | 1,308,901 84 | 1,269,606 80 | 1,545,849 30 | 2,689,094 82 | 1,393,627 57 |
| 1886-87..... | 1,756,945 27 | 1,590,811 48 | 1,729,408 95 | 2,055,497 22 | 1,851,571 61 |
| | + 448,043 43 | + 321,204 68 | + 183,559 65 | + 613,597 60 | + 457,944 04 |
| Excise— | | | | | |
| 1885-86..... | 525,214 20 | 407,079 58 | 493,796 80 | 1,917,359 02 | 157,088 94 |
| 1886-87..... | 577,129 99 | 452,423 76 | 429,502 78 | 539,467 10 | 541,825 43 |
| | + 41,915 79 | + 45,344 18 | + 61,294 02 | + 1,377,891 92 | + 387,736 54 |
| Miscellaneous— | | | | | |
| 1885-86..... | 468,514 20 | 907,636 12 | 448,546 89 | 750,577 93 | 591,606 27 |
| 1886-87..... | 523,914 60 | 664,140 04 | 300,732 30 | 299,454 77 | 675,172 33 |
| | + 55,400 40 | + 243,496 08 | + 147,814 59 | + 451,123 16 | + 83,566 06 |
| Total Revenue— | | | | | |
| 1885-86..... | 2,302,630 24 | 2,584,322 50 | 2,488,192 99 | 5,337,031 77 | 2,142,322 76 |
| 1886-87..... | 2,847,969 86 | 2,707,405 28 | 2,459,644 03 | 2,894,419 09 | 3,071,569 42 |
| | + 545,339 62 | + 123,082 78 | + 28,548 96 | + 2,442,612 68 | + 929,246 64 |
| Aggregate Revenue— | | | | | |
| 1885-86..... | 14,755,704 97 | 17,340,027 47 | 19,828,220 46 | 25,165,252 23 | 27,307,575 01 |
| 1886-87..... | 17,027,898 45 | 19,735,303 73 | 22,194,647 76 | 25,089,366 85 | 28,160,936 27 |
| | + 2,272,193 48 | + 2,395,276 26 | + 2,366,427 30 | + 75,885 38 | + 853,361 26 |

+ Increase in 1886-87 over 1885-86.

— Decrease in 1886-87 over 1885-86.

In the month of February there is a decrease of \$28,543 and in March a decrease of \$2,412,612, due to the cause I have mentioned, of an anticipated change in the Tariff, and in the month of April we have again an increase of \$929,246; deducting the items to which I have alluded as abnormal, and not fairly to be taken into consideration, a total aggregate increase during those ten months—a steady constant, regular increase, from the last of July up to the end of April—of no less than \$853,361.26; and I am sure, Sir, I can give the House no more complete evidence than that, as to the position the country occupies.

Now, Sir, I think it will not be necessary for me to detain the House a moment longer in pointing out the evidences which exist on every hand—evidences that he who runs may read—and evidences of the most conclusive character, that Canada has passed the period of depression which she has suffered, and that we are again entering upon a career of very marked and considerable prosperity.

THE CLOUD ON THE HORIZON.

There is, however, Sir, a single cloud on the horizon, and it is right that I should spend a moment in giving that a passing notice—that is, the question of threatened non-intercourse on the part of the great Republic to the south of us. Now, Sir, I need not say to the House that the question of the protection of our fisheries has not been a party question in this House. The protection of our fisheries was urged by hon. gentlemen opposite and their press throughout the period since the abrogation of the Washington Treaty, probably with more vehemence than it was urged by the members and press supporting the Government. All parties were at one, upon the question that it was the duty—a duty from which no Government in Canada could for a moment shrink—that we should maintain the admitted—I will not say the rights—but I will say the conceded rights that, by long prescription and through a long course of years, had been frankly admitted by the highest authorities in the United States as belonging to Canada. The time has not yet come, and I trust it never will, when any Government in this country will be permitted by this House to shrink for a single instant from temperately and judiciously maintaining in a fair but unflinching manner the admitted rights of the people of this country.

I need not tell the House that, even at the risk of exposing this Government to the obloquy and attack, to a certain extent, of hon. gentlemen opposite, we said to the Government of the United States, so anxious are we that this question should be settled amicably, if you will undertake to submit to the Congress of the United States a proposal for an international commission to dispose of it in the manner in which enlightened nations are accustomed to deal with controversies of this kind, we will allow your fishermen to enjoy the privilege of fishing in our waters throughout the season without interference or obstruction. And that was done although our fishermen did not obtain the corresponding right of taking the fish caught by them into the American market free of duty. But it was felt by this Government that while we were bound to protect the rights of Canada, we must use every effort men

March a decrease
ted change in the
of \$929,246; of
fairly to be taken
months—a steady
April—of no less
no more complete

House a moment
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es in the United
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use to shrink for
air but unflinch-

Government to
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estion should be
ne United States
manner in which
is kind, we will
throughout the
ugh our fisher-
by them into
ment that while
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ould use to obtain a fair and favorable reciprocal arrangement with the United States. I may say how that I had the honor of being sent on a confidential mission to Washington by the Governor General previous to assuming my duties in England in 1884, and had a long and interesting conversation with the late secretary Frelinghuysen on that subject. I may say I regard it as a misfortune, that the administration of which he was a member had not been returned to power, and that his life had not been spared to carry out what, I am certain, he was prepared to carry out. The result was that a Democratic president was elected in the United States and a Democratic administration was formed, but that administration had not, as hon. gentlemen now, a majority in the Senate; and although the Government of the United States in good faith carried out the engagement with the Government of Canada, and sent down a proposal to dispose of this matter by an international commission, their proposal was rejected by the Senate. It was for that reason, and not because I wish to express any preference for one party or the other in the United States, that I said I think it was a misfortune that the recommendation of the Democratic President and Government had to be acted upon by a Republican Senate.

That proposal was rejected, and Canada was forced, as you all know, *ex necessitate rei*, to adopt the policy of temperately and judiciously, but firmly, protecting the rights of Canadian fishermen in Canadian waters, and I am glad to be able to state that during my term of office as High Commissioner in London, where I had constant and frequent intercourse with the great statesmen of both of the political parties in that country in relation to this question, whether Lord Granville or Sir Michael Hicks Beach, or Lord Derby was in the Colonial Office—whatever party was in power, whether Lord Iddesleigh or Lord Roseberry was in the Foreign Office, or whoever might be representing the Government—I met the firm and unqualified desire, on the part of Her Majesty's Government, to study carefully what were the undoubted rights of Canada and the Empire; and I speak, not of one but of both parties, I speak of the Governments which represented both the great parties in England, when I say I found on their part the steady and uniform desire and determination firmly to maintain Canada in the assertion of her just and legitimate rights.

I believe that anxious as are Her Majesty's Government, and everybody knows how extremely anxious they are to avoid the slightest cause of difference with the Government of the United States, the time is far distant when the Government of England will shrink in the slightest degree from giving fair and candid consideration to whatever the just claims of Canada in relation to that question.

Under these circumstances, I think we had a right to expect from the Congress of the United States a different course to that which they pursued.

When the President of the United States sent this appeal to Congress for an international commission, what did the people interested in the fisheries say? They said: "We do not want to have anything to do with Canadian waters; we want no

international commission; the fish have all turned south, they are all coming into our waters; we do not require to go into Canadian waters at all; we want no commission, no international arrangement, but simply to keep ourselves to ourselves, and let the Canadians do the same." I think that is very much to be regretted. I think the interests of that great country and the interests of Canada alike require close commercial relations and extended reciprocal relations. I have no hesitation in saying so. It would be in my judgment a great misfortune if anything were to prevent reciprocal trade arrangements with the United States which would be, as they were when they existed before, alike beneficial to both countries. We know we were satisfied with reciprocity, but we do not conceal from ourselves, because the statistics of their own country prove it beyond question, that advantageous as was the Reciprocity Treaty from 1854 for twelve years to the people of Canada, it was infinitely more advantageous to the people of the United States. We know that, satisfied as we were with the arrangements made by my right hon. friend in connection with the Washington Treaty, that, advantageous as those arrangements were to the people of Canada, the statistics on both sides of the line prove that they were infinitely more beneficial to the great Republic to the south of us. But, as I say, we were met by the proposal to arm the President with the power of declaring non-intercourse. I do not believe he will put that power into force, and I am strengthened in that belief by the letter which the President of the United States addressed to the parties who communicated with him on the subject, and which showed that that gentleman, armed with this tremendous power, fully recognised the enormous interests that had grown up under that peaceful intercourse between Canada and the United States, and that he was fully alive to the momentous responsibility that would rest upon his shoulders if he should put it in operation. He might well feel that; when the statistics of his own country prove that during the 50 years to which the President alluded as having been expended in creating between the United States and Canada an enormous commerce and strong ties and relations, the people of the United States had sent into Canada no less than \$1,200,000,000 worth of products of the farm and manufactories and various industries of the United States, and that, in addition to that \$1,200,000,000 worth of American products sent into Canada, they had also sent in \$200,000,000 of foreign products, whereas Canada, during that 50 years, had sent into the United States but \$1,050,000,000 products in all; leaving a balance of trade during that 50 years of no less than \$350,000,000 in favor of the United States. Now, these figures show that, large as are the interests which Canada has, the United States has a still larger interest in maintaining those friendly reciprocal relations that have enabled these two countries, the great Republic to the south of us and this rising Dominion of Canada, to steadily progress as friendly rivals in commercial enterprise, and in developing as best they could the resources of the two countries on both sides of the line.

I hold in my hand a statement showing Canada's trade with the United States for a period of fifty years, comprising three periods, the first period of thirty-three

all coming into our hands from 1821 to 1853, prior to the Reciprocity Treaty, the second period from 1854 to 1866 under the Reciprocity Treaty, and the third period from 1867 to 1879, that is from the date of Confederation to the adoption of the protective policy. I have separated the latter, not in order to draw any party distinction, but to show how the trade of the United States is affected by the revenue tariff, and by the protective policy which was afterwards adopted. Then there is the fourth period, embracing the time since the protective policy was adopted. The statement is as follows:—

CANADA'S TRADE WITH UNITED STATES.

1st period, 33 years, 1821-53—

United States exports to British North America—

| | |
|-----------------------|----------------|
| Home products..... | \$ 140,152,214 |
| Foreign products..... | 27,064,495 |

| | |
|---|----------------|
| Total exports to British North America..... | \$ 167,116,709 |
| United States imports from do | 67,794,426 |

| | |
|--|---------------|
| Balance in favor of United States..... | \$ 99,321,283 |
|--|---------------|

| | |
|---|--------------|
| Average annual balance in favor of United States..... | \$ 3,009,736 |
|---|--------------|

2nd period, 1854-66—

United States exports to British North America—

| | |
|-----------------------|----------------|
| Home products | \$ 300,808,370 |
| Foreign products..... | 62,379,718 |

| | |
|--|----------------|
| Total exports to British North America | \$ 363,188,088 |
| United States imports from do | 267,612,131 |

| | |
|---|---------------|
| Balance in favor of United States | \$ 95,575,957 |
|---|---------------|

| | |
|--|--------------|
| Average annual balance in favor of United States | \$ 7,351,766 |
|--|--------------|

3rd period, 1867-79—

United States exports to Canada—

| | |
|-----------------------|----------------|
| Home products | \$ 477,164,790 |
| Foreign products..... | 34,653,810 |

| | |
|--|----------------|
| Total exports to Canada..... | \$ 511,818,600 |
| United States imports from Canada..... | 399,423,586 |

| | |
|---|----------------|
| Balance in favor of United States | \$ 112,395,014 |
|---|----------------|

| | |
|--|--------------|
| Average annual balance in favor of United States | \$ 8,645,770 |
|--|--------------|

4th period, 1880-86—

United States exports to Canada—

| | |
|------------------------|----------------|
| Home products | \$ 297,542,282 |
| Foreign products | 16,332,229 |

| | |
|---|----------------|
| Total exports to Canada | \$ 313,874,511 |
| United States imports from Canada | 274,917,511 |

| | |
|---|---------------|
| Balance in favor of United States | \$ 38,927,000 |
|---|---------------|

| | |
|-----------------------------|--------------|
| Average annual balance..... | \$ 5,561,000 |
|-----------------------------|--------------|

United States
of thirty-three

These figures are instructive, because they show that our American neighbors, so far from having any reason to complain of the closest commercial relations which have existed between us, have been very largely gainers under every system which has operated during the last fifty years. That is the solitary cloud upon the horizon, but it is not without its silver lining. Had this threatened non-intercourse been carried out, had any President, armed with such a power, under any circumstances been induced to put it in operation, what would have been our position as we stood half a dozen years ago? I ask this House what would have been our position under such a condition of things if this Government had not carried out the policy of completing at the earliest possible moment a great transcontinental railway from the port of Montreal to the shores of the Pacific Ocean? During the late insurrection the value of that policy was established beyond controversy. On that occasion it was shown that Canada had saved in blood and treasure, by the fact of being able to utilise that line of communication in order to send the gallant yeomanry of the older Provinces to the scene of the troubles, more than would cover the \$30,000,000 which I asked the House to grant as a loan, even if it had been made a gift, and we had never received a dollar of it back again except in the service which we received from the advanced position to which that company was enabled to carry that great national enterprise, and which enabled us to send our forces over that line. But what would be our position to-day if we stood with this threat of non-intercourse flaunted in our faces and knew that we were dependent on American channels of communication for our connection with the rising city of Winnipeg, the capital of the Province of Manitoba, and the great North-West of this country? What would have been our position if the Canadian Pacific Railway had not penetrated the Rocky Mountains, if the policy of hon. gentlemen opposite had been adopted, and there was no line north of Lake Superior or through the Rocky Mountains to connect us with British Columbia? In that case we would have been at the feet of our American neighbors, instead of, as we are to-day, though only five millions of people, being able to say to them, that deeply as we would deplore so mad and so unjustifiable an act on the part of a great country like this great Republic of the United States adopting such a barbarous policy as that of non-intercourse with a friendly power, we stand in the proud position of knowing that if that policy were adopted to-morrow, we have perfected our own lines of communication and have the most complete means of communication from the furthest and most remote sections of our country down to the sea.

As I said before, this cloud, this only cloud has its silver lining. Non-intercourse would not be an unmixed evil. I would deeply deplore it; every member of the House and every intelligent Canadian would deeply deplore any interruption of the commercial relations which exist between this country and the United States, but I cannot forget that, if this policy of non-intercourse were adopted, it would lead to the development of those channels of communication between ourselves, and that the commerce of Canada, which

to-day is building up New York—I am speaking of the through traffic—which to-day is building up Boston and Portland, would be carried through exclusively Canadian channels to Canadian ports, and would build up Montreal, Quebec, St. Andrews, St. John and Halifax with a rapidity which the people of this country can scarcely understand. Still further, I say that I believe that, if that policy of non intercourse were carried out, strong as is the sentiment of free trade in the minds of the Imperial Government and the Imperial Parliament, still, consistently with the policy which Lord Salisbury laid down when he was interviewed by the sugar refiners and was shown by them that the bounty-fed sugar was crushing out the industries of the United Kingdom, and when he said that, strongly as he had adhered to the policy of free trade, he considered that a condition of things of that kind would warrant the Imperial Parliament, without departing from their present policy of free trade, in retaliating by imposing a duty equal to the bounty on the sugar which came into competition with that of the refiners of the United Kingdom. That policy has only to be carried a very short step further to lead Her Majesty's Government to the conclusion, that they would owe it to Canada and to themselves, as being the power under which Canada is happy to serve, to meet that policy of non-intercourse by such a different mode of treating the grain from the United States of America and the grain grown in Canada, as would vivify the industries of this country, especially the great farming industry of this country, to an extent which would make the most marvellous change in this Dominion. Sir, I never expect the time will come when non-intercourse will be adopted; but I am sanguine from my own knowledge of the growing sentiment of public men in England of the vital importance of Canada to the Empire, and their duty to give us all the support to which we are entitled, that if such a policy were adopted we could derive that benefit from it, and it could be done without any injury to any interest in the Empire. The competition between the wheat of India and that which could be grown in Canada under such an enormous impetus to that growth, would be sufficient to prevent any material advance in the price of bread to the British consumer. So, looking at this question in all its bearings, while I felt bound to give it a passing notice, and while I most earnestly hope that no such policy will be adopted; while I have not the slightest idea that it will, I say that should it be adopted, great as is the American Republic, enormous as is their population, they will find that Canada feels that she has as great and as valuable a portion of this North American continent under her management and control and to be developed, as that lying to the south of us; and they will find the people of this country, on both sides of politics, a united band of patriots who, sinking every other consideration will say that whatever Government is in power they owe it to their country, they owe it to themselves, to show that there will be no faltering in maintaining to the utmost the undoubted and admitted rights that belong to the people of Canada.

Now, Sir, I may say that I recognise the fact that under the protective policy that we have adopted, and which, as we know beyond peradventure, the country most

heartily approves and endorses, the great stimulus that has been given to Canadian industries has enabled them largely to overtake the consuming power of the country. We know that the result has been that which we all apprehended it would be, a fall in prices, and that the people of this country would enjoy as the result of that development of our industry by a protective policy, an opportunity of obtaining everything that they required as cheaply as they would if that policy had never been put into operation.

NEGOTIATIONS WITH SPAIN.

Now, under these circumstances, what we must especially do, what I think it behoves any person charged with the responsibility of governing this country to do, what it behoves this Parliament to do, whether hon. gentlemen sit on one side of the House or the other, is to adopt all the means in our power of developing the trade and business of our country. The efforts of the Government have been directed to that end. I may say, Sir, in that relation, that in 1879 Sir Alexander Galt, before his appointment as High Commissioner for Canada in London, was charged with the duty of endeavoring to negotiate with Spain a treaty of advanced commercial trade relations with Cuba and Porto Rico. That treaty, hon. gentlemen know, Sir Alexander Galt was not able to carry to completion, and when I had the honor of succeeding him in the office of High Commissioner, he left for my information and perusal a document in which he said that he found himself greatly hampered in discharging the duties imposed upon him by the Government of Canada, because he only stood in the position of a commercial commissioner, and it was necessary that all his negotiations with the Government of Spain should be filtered through Her Majesty's Minister at the Court of Madrid. At a subsequent period I was instructed by the Government of Canada, when Sir Leonard Tilley was Finance Minister, to take up that question and endeavor to arrange for improved commercial relations. It became more imperatively necessary for Canada than ever, because the United States' Government had succeeded in arranging a *modus vivendi* with Spain, which placed all their exports, their ships, and everything they had to send to Cuba and Porto Rico, upon infinitely more advantageous terms than the products of Canada. I addressed myself to the discussion of this question with Her Majesty's Government—and I may say that the Colonial Office at once put me in personal communication with the Foreign Office, and I was instructed to take the subject up with them—and the result was that after a full discussion of the whole question, the Foreign Office communicated to the Colonial Office not only that they had decided to allow Canada to negotiate such treaty with foreign countries as her own interest required, in conjunction with their own Minister, but they had decided that the representative of Canada must be clothed with plenipotentiary powers, and be placed upon an equal footing. Although I have not been able to bring down the correspondence moved for by the senior member for Halifax (Mr. Jones) for the reasons stated, that this matter not being terminated, the correspondence cannot, with advantage to the public, be laid upon the Table until a conclusion is arrived at, I will, however, read to this House an

extract from a letter sent by the Foreign Office to the Colonial Office, dated 26th July, 1884, and forwarded to me for the information of the Canadian Government :

"If the Spanish Government are favorably disposed a full power for these negotiations will be given to Sir Robert Morrier"—

Who was then Ambassador of Her Majesty's Government at Madrid—

"and Sir Charles Tupper jointly. The actual negotiation would probably be conducted by Sir Charles Tupper ; but the convention, if concluded, must be signed by both plenipotentiaries, and be entered into between Her Majesty and the King of Spain, with the special object of regulating Canadian trade with the Spanish Territories specified in the convention."

I am quite certain that the House will appreciate the great importance of that arrangement, and they will feel that the discussions that have taken place in this House have no doubt done good in relation to that question. They will feel that another step has been gained by the concession from Her Majesty's Government in this matter of trade negotiations, and that Canada is to have the freest and fullest scope. But more than that, while they are prepared to give plenipotentiary powers to the representative of Canada, whoever he may be, as selected by the Government to negotiate those treaties, we are to have this vantage ground—and I draw the attention of the House to it as a very important one—we are to have all the aid and sympathy and support of Her Majesty's Government, through Her Majesty's Minister at whatever place these negotiations may be carried on. Now, I may say that subsequently the Government of Spain intimated that they would like us not to proceed with these negotiations at present until an elaborate treaty which was arranged between Spain and the United States, had been passed upon by the American Senate. We were anxious to comply with that recommendation, and for this reason : If our proposition to Spain were accepted, it would be found to be utterly worthless if the advanced and extended treaty between the United States and Cuba and Porto Rico had been carried into effect. Hon. gentlemen are aware that the Senate of the United States rejected that treaty, and I may say that subsequently Her Majesty's Government were enabled to negotiate a treaty with Spain as between England and Spain herself, the colonies not being included. I at once drew the attention of the Colonial and Foreign Offices to the great injury that would result from Canada not being included in the treaty. I took up the question with Her Majesty's Government. I pointed out what were our requirements. I communicated with Sir Clare Ford, and showed what Canada required, not only that she should be placed under the most favored nation clause in Cuba and Porto Rico, which Germany and France enjoyed, but that she should obtain the advantage which the United States had obtained by the abolition of the 10 per cent. specific duty. Sir Clare Ford entered most heartily into that question, and I am glad to be able to say that without the concession of anything—and I point this out to hon. gentlemen who have discussed this subject a good deal, for it is a most important feature that a dependency of the Crown, a portion of the British Empire without any concession on our part (and we were prepared to make considerable concessions)—obtained from the treaty negotiated by Her Majesty's Government and from concessions given by Her Majesty's

Government in relation to wine duties there, and which do not affect us in the slightest, everything the United States enjoyed under the *modus vivendi* which had been negotiated between Spain and the Government of the United States. I point that out as evidence, not only that great liberty was conceded to us, but that every advantage was given to us, and our interests were promoted by Her Majesty's Government in treaties arranged between Great Britain and foreign countries. Since that period I am glad to be able to inform the House that the Government of Spain approached myself through the Spanish Minister at London, and approached Sir Clare Ford through the Minister of Foreign Affairs in Madrid, stating that they were now ready to take up the question of an enlarged arrangement between Canada and Spain as touching the trade between Canada and Cuba and Porto Rico. So important do I consider this question that I proposed to the right hon. gentleman (Sir John A. Macdonald) to allow me to return to Canada and discuss with him before going to Madrid the whole question of this proposed arrangement from which I believe the trade of this country may receive a great and valuable impulse in connection with those important Spanish Islands. As the House is aware, I received permission from the right hon. gentleman to return here, but it appears he had other duties for me to perform before I should turn my face towards Madrid. However, I do hope that, when Parliament rises at a very early day, the right hon. gentleman will allow me to return to London and proceed at an early day to Madrid, where I believe there is an opportunity of advancing the interests of Canada in a very marked and important degree. Now, Sir, I say that, consistent with that policy, we propose to aid in developing trade—I should not say we, because the Government had anticipated me before my return—and I found tenders were invited for steam communication between the West India Islands and Canada, and as will be gathered from the report of Mr. Wylde, who was sent as commercial commissioner to ascertain what opportunity existed for extending our trade, there is an opening for a very large and extensive trade, especially provided we can succeed in negotiating such a treaty as I have every reason to believe will now be found procurable. Canada now enjoys, to a very large extent, the fish trade with Cuba and Porto Rico. Our fish is just what they require, and I believe they obtain from the United States Canadian fish which passes through American hands. Not only so, but there is a large flour, lumber and potato trade to be built up and business done in a number of articles of general consumption, and this business is open to us if a favorable arrangement can be made.

In order to show that this Government are alive to the importance of developing intercommunication, and to show how they estimate the importance of developing Canadian trade through every possible channel, I may say that tenders have been invited by the Postmaster General for a rapid steam service across the Atlantic in order to utilise our great transcontinental highway, for we think the time has come when in the interests of the Dominion as fast and as good a service should exist between France and England and Canada as is to be found between either Germany,

France, England and New York. If by any means we can succeed in establishing such a line of rapid steamers on the Atlantic we will not only make this a great transcontinental highway and rapidly develop our trade on the Pacific, but I believe we will be able to deliver the mails in Boston and New York, certainly in Chicago and all western cities, a very considerable time before they could be delivered through any other channel. I can only say that Canada will be delighted to do that work for the Republic, and we shall be most happy to have this Dominion made a channel of communication either for their commerce or their mails or their passengers. I am quite sure there is a great field here for Canadian development, and that subject is engaging the attention of the Government. We have at this moment a commercial agent in Australia, where there is also a wide field for the development of Canadian industries. The gentlemen charged with the duty of administering the affairs of the various Australian Provinces at the Colonial Exhibition, were deeply impressed with the enormous strides made by us in the various branches of manufactures, and again and again they said to me: "Why cannot we obtain from British Provinces the goods we require, and carry on with them the trade we now do with a foreign country, the United States." The Government of Canada, as has already been stated to the House, with a view to establish a great traffic in the east, and intercommunication with China and Japan, have agreed to give £15,000 yearly, out of £60,000 required, provided Her Majesty's Government furnishes the additional £45,000, to ensure a rapid service from Vancouver to Yokohama and Shanghai, and Hong Kong in China. The Canadian Government have further agreed to give £25,000 per annum, provided £160,000 per annum, the amount required is raised in England and the Australian colonies, in order to have a rapid line of steam communication between the terminus of the Canadian Pacific Railway and all the islands of Australasia, including New Zealand.

It being six o'clock, the Speaker left the Chair.

After Recess.

Sir CHARLES TUPPER. I am quite sure, Sir, that the House has listened with very great pleasure to the evidences I have been able to lay before it, of the undoubted condition of progress and prosperity that Canada enjoys. I am quite sure, Sir, that no member of this House can fail to be gratified at the indisputable evidence, furnished by everything that can indicate a condition of progress and prosperity in a country, that Canada is at this moment in an exceedingly prosperous condition, and that the outlook for the future is all that we can desire.

But, Sir, I may ask the House for a single moment, to what do we owe that condition of progress and prosperity, upon which we are all able to congratulate ourselves at this moment? I am quite certain that the answer will be found in the words—National Policy. It is the National Policy which has lifted Canada out of the position that it occupied a few years ago; it is the National Policy that has enabled it to pass through what otherwise would have been a period of great depres-

sion, without seriously feeling it; it is the National Policy that had vivified every industry in this country, that has furnished employment for Canadian hands on Canadian soil, that has kept the money of the country within the country, and that has diffused prosperity from one end of this country to the other. But, Sir, I drew attention to the fact that production had, to a considerable extent, overtaken consumption, and that the necessity was imposed on the Government of endeavoring to find outlets for the industries of Canada, by extending and developing our trade with other countries. I referred to the efforts we were making in connection with lines of steam communication, but I omitted on that occasion to refer to the fact that the sanction which was obtained from this House to establish a line of steam communication with France has, as you know, Sir, not been successful up to the present moment. But I am glad to be able to say that the appropriation placed by Parliament at the service of the Government for that purpose is about to be utilised, and that a strong French company are preparing to put on a line of steamers between France and Canada that I have no doubt will render that effort on our part as successful as the others.

Now, Sir, I intend to invite the attention of the House to a new field for the development of the National Policy. We have applied it to the great cotton industry; we have applied it to the woollen industry; we have applied it to innumerable industries all over Canada, and with marvellous success.

THE IRON INDUSTRY.

But, Sir, there is a field, perhaps the most important, still untrodden. There is a field still unoccupied that presents greater possibilities and greater opportunities than any other for developing Canadian industry, and it lies at the very root and foundation of the National Policy in all countries where it has been adopted. I refer to the iron industry. I say, Sir, that while we have adopted the National Policy with reference to other industries, while we have taken a leaf out of the book of our great neighbors to the south of us—and we are always delighted to avail ourselves of their experience, in order to benefit ourselves—while we have adopted to a certain extent their policy in reference to other great industries, in relation to this, the greatest industry of all in this country and in all countries where iron and coal are found to abound, we have neglected up to the present hour to do justice to this great Canadian industry.

Sir, the Government of the United States after the most careful and elaborate consideration of this question, after appointing a commission to go from one end of the Union to the other, to collect information and investigate the subject to the very root in all its bearings, adopted a thoroughly sound, rational, and scientific policy. They adopted the cardinal principle at which we are aiming, and that is the application of the principle of protection in reference to the amount of labor consumed in the production of the article. Now, Sir, down to the present hour there has never been an effort made, such as I believe can be made, to adopt in all its bearings that

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scientific application of the principle of protection to the labor involved. What we have already aimed at—what we have to a large extent attained—has been the development of the industries of the country, by protecting the industries of the country. But, Sir, in relation to this, the great industry of Canada, the great industry of Great Britain, the great industry of the United States, of Germany, of Belgium ; one of the greatest industries of France and one of the greatest and most important industries of all the great countries that possess iron and coal, we have down to the present time ignored that fundamental principle of the application of the system of protection in proportion to the labor involved. What have we done ? The United States adopted in regard to the iron industry, the policy of applying a certain Tariff to pig iron. They imposed a duty of \$6 a ton ; they have imposed a duty of \$6, \$7, \$8, \$9 or whatever number of dollars a ton was necessary, in order to establish the industry within their borders. At the present moment, however, their tariff is \$6 a ton, imposed on every ton of pig iron coming into competition with a ton of pig iron produced in the United States. And, Sir, they have graded that duty—not with mathematical exactness, but to a large extent graded accurately their tariff upon the iron industry of the country, just in proportion to the amount of labor, the number of days' labor, required in order to produce a ton of any particular quality of iron. What have we done ? Why, Sir, we have at this moment a bounty of \$1.50 a ton on pig iron and \$2 a ton duty upon pig iron. What then ? Giving that protection to the production of a ton of pig iron, we have a duty, instead of three times as great, as the United States have adopted—or from twice to three times as great—on the puddled bar, we have a duty of \$1.70 per ton. So that while we protect the inferior article, the lowest form in which iron is presented, we have so constructed our tariff as to make it utterly impossible to utilise and derive a benefit from it, by grading our tariff in proportion to the amount of labor involved. Now, Sir, if there is a country in the world to which the iron industry is important, it is Canada, and why ? Because we possess the coal and we possess the iron ore and we possess the fluxes ; having everything necessary to develop the great iron industry within our borders, and yet down to the present moment we have left almost untouched, this enormous, this almost illimitable field for the extension of our National Policy.

The national importance of the iron industry is seen at once when we take into consideration the fact that it furnishes the material necessary for agriculture, for commerce, for manufactures, for offense and defence, and for all other manufactures, with scarcely an exception. It becomes, for these reasons, the most important of all the industries of the country. So valuable is it regarded, that all nations who have the means of developing that industry, have addressed themselves to that work as one of prime importance.

The means of developing the iron industry of a country depend, first, upon the possession of the ore ; second, upon the possession of the coal or other fuel that is required to utilise it ; third, upon the possession of the fluxes, and fourth, upon the proximity of these articles to each other, and of the facilities for transporting the

product from the points where it is manufactured to the great centres of the country, where it is to be used as an article of commerce. Now, Sir, Canada occupies in this regard a vantage ground over almost every country in the world. England possesses coal and iron ore to an almost illimitable extent; but the House will perhaps be surprised to learn that even England, with all its ore and all its coal, imports from Spain, a thousand miles away, more ore than is required to manufacture the entire production of steel in England. The United States possess almost unlimited quantities of iron ore and coal; but they have no such advantage as Canada enjoys. Their iron and coal are widely separated from each other—so widely separated that the ores of Wisconsin and the Lake Superior region are sent a thousand miles away to Pittsburg to the coal area to be manufactured into iron. In the southern States they have coal and iron in close proximity, but with this drawback, that they are over a hundred miles from the seaboard, over which distance the manufactured article has to be transported by rail. France, which has developed a great iron industry, has to import both iron and coal. That country has both ore and coal to some extent, but no less than 35 per cent. of the ore manufactured in France is imported from a long distance. Belgium has plenty of coal, but imports iron ore from Germany. A large amount of iron ore manufactured in Belgium, which has become so powerful a competitor of England in iron, is manufactured from ore imported from Luxembourg; but it sends all the way to Spain for the ore used in the manufacture of Bessemer steel. If these countries, without the advantage of having iron ore and coal in close proximity, can import, one or the other a thousand miles and carry on the manufactures of iron, what can Canada do, which has the great advantage of possessing illimitable coal fields and illimitable stores of iron ore in close proximity? England and the United States both form notable examples of what can be done in the development of a great industry by protection.

I need not tell this House that the most extreme protection that ever was adopted in any country in the world was adopted in England in connection with the manufacture of iron. England not only imposed high duties on iron coming in from abroad, but when it was discovered how coal could be used instead of charcoal and the manufacture of the steam engine was brought into play, it actually prohibited the workmen who were acquainted with those processes from leaving the country in order to retain the industry within their own borders. The United States recognising that the manufacture of iron within their own borders lay at the very foundation of that protective policy that has made that great country as flourishing as it is to-day, at the very foundation of that great policy that has enabled them to grapple with a gigantic war debt and sweep it away by hundreds of millions until to-day they are only embarrassed by the difficulty of knowing how to get rid of the revenue that is furnished by that policy. I say, Sir, recognising that this question of the iron industry lay at the very foundation of their national policy, they adopted a high protective tariff, and after the most careful, the most scientific, and the most elaborate investigation, they graded the tariff in relation to the different branches of the

iron trade in order to furnish just such protection as the amount of labor entering into the creation of any article of industry involved. And thus, Sir, recognising the great principle of protecting first and above all the labor of the country, they have built up an iron industry that has astonished the civilised world. Germany imported 100,000 tons of pig iron in 1860; and it exported 1,000,000 in 1881—how? By adopting the policy that has prevailed in Canada of giving a feeble protection to the production of iron in its lowest stage, and leaving all the others unprotected to come into competition with it? No, but by adopting the true principle of protecting the labor that entered into the production of iron in all its departments; and thus instead of being dependent, as it was, upon other countries for its iron, it has become a great exporter, as you see, of that commodity.

The production of pig iron in the world in 1865 was 9,250,000 tons; in 1883 it had gone up to 21,000,000 tons, showing that all that is necessary in order to extend to an unlimited degree the use of iron is to be able to produce it, and showing also that it affords a field for the application of the sound principles of the National Policy that no other industry in the country affords. The result of this policy may be briefly stated that during last twenty-one years, from 1865 to 1885, the increase in the production of pig iron in Great Britain has been 76 per cent. In the United States, 456 per cent.; in Germany, 237 per cent.; France, 64 per cent.; Belgium 64; Austria and Hungary, 152 per cent. So has the iron industry, under a national policy adopted for its development and its protection, flourished in all these countries. Of course, England when she became, under the most rigid and determined system of protection ever adopted in any country in the world, so advanced as to out-distance all other countries to such an extent that she thought she could adopt the principles of free trade, she adopted those principles; and she adopted them under the delusion, propounded by Mr. Cobden and sincerely believed in by that distinguished man, but proved by the result to be utterly fallacious, that if England, with her advanced position of mistress of the industrial arts of the world, adopted the policy of free trade, all other countries would be obliged to follow in her wake. And what is the result? It is that instead of following in her wake, France and Germany and all these countries have held fast by the national policy of protecting their own industries, and the consequence is that they are at this moment in a position to paralyse to a large extent the industries of England with all her advantages of iron and coal in close proximity. By their protective policy they are developing and advancing their industries in a way that England finds herself incapable of keeping up with, and the result is that Belgium and Germany are keen competitors on English soil with the great English industries.

The time is not long since, when charcoal iron was one of the most important industries in Ontario and Quebec. I have no hesitation in saying that if the protection we have given to cotton and woollen and all other industries of Canada be applied to iron, to-morrow will show what the past history of Canada has shown, that those charcoal iron industries will again be in full blast, and that in

Ontario and Quebec they will become most essential and important industries in the future as they were in days gone by. Every person knows that charcoal iron is the most valuable product of iron; every person knows the increase of value of charcoal iron; every person knows that the great difficulty is the cost of producing it, but there is no country in the world that has such a field for the production of charcoal iron as the Provinces of Quebec and Ontario. What have you, Sir, in these Provinces? You have the ore in illimitable quantity, you have a boundless field for the production of the ore, and you have, running along through the same tract of country, magnificent forests adapted to furnishing the charcoal. At present what are the people obliged to do? Those who go into the wilderness to make a farm have to spend their valuable labor in cutting down this timber, and consuming it on the ground without receiving anything from it. Vivify, give protection to the iron industry, as you have given it to cotton, woollen, and everything else, and what will be the result? It will be, that when a man goes into the forest to make a farm in Ontario or Quebec, the most valuable product under his hand will be that which he has to spend all his labor and capital now in wasting. You will have colonisation extended in Ontario and Quebec as nothing else could extend it. The experiments recently made by some of the great lines of railway in the United States have shown, as the result of scientific analysis, that the mode of making the life of a rail infinitely greater than it is, is to have incorporated in the rail a large portion of charcoal iron, and under this recent discovery, there is a field for the development of charcoal iron, that will go far to make it one of the leading industries of Canada. There is at present, as you know, in Ontario, running through a large number of counties and townships, a most valuable deposit of iron ore. A railway has been built the Central Ontario, over 100 miles long, to carry this ore to Weller's Bay, to be shipped across the lake to Charlotte, Oswego, and other points on the American side. Well, from Oswego and Charlotte on the American side to the anthracite coal field, is only 150 miles, and I say that, under a policy which will give iron the protection we give to everything else in Canada, under the National Policy, you will have the ships that convey the ore to Oswego or to Charlotte, or to any of those places from Kingston, Cobourg and Weller's Bay, bringing back the anthracite coal, and you will have the establishment of blast furnaces at Cobourg, Kingston and Weller's Bay, that will give the iron industry of Ontario a better position than it occupied years ago.

I may attract your attention, Sir, for a single moment to the relative importance of these industries. We have given to the manufacture of sugar, and the manufacture of cotton, and the manufacture of woollens, a large protection with the result we anticipated, of building up these industries and rendering them flourishing. In addition to that, we have from 1868 to 1834, admitted \$2,950,000 worth of machinery free into Canada, in order to give increased protection and development to these industries. Now, Sir, the relative importance of these industries may be shown by the following figures, compiled in regard to the United States. It will be found that in the refining of sugar and molasses in the United States, there are forty-nine estab-

industries in charcoal iron of value of producing reduction of Sir, in these less field for me tract of ent what are a farm have ing it on the to the iron and what will ke a farm in at which he colonisation experiments have shown, rail infinitely charcoal iron, charcoal iron, ere is at pre- counties and t the Central shipped across Well, from d, is only 150 on we give to the ships that m Kingston, will have the Bay, that will s ago.

the importance manufacture the result we urishing. In of machinery ment to these be shown by found that in y-nine estab-

ments employed. The capital invested in these is \$27,432,500; the number of males employed over 16 years of age, 5,832; the number of children and youths, 25; the amount paid in wages during the year, \$2,875,032; the value of materials, \$44,698,499; and the value of the product, \$153,484,915. So much for sugar. In the manufacture of cotton goods there are 1,005 establishments, in which the capital employed amounts to \$219,000,000; number of males employed 64,000; females, 1,000; and 30,000 children. The total amount of wages is \$45,614,419; the value of materials, \$113,765,000, and the value of the product, \$210,000,000. Of woollen goods, the number of establishments is 1,990, \$96,000,000 of capital is employed, 3,000 males, 29,000 females and 10,000 children are engaged; \$23,836,000 is paid in wages; the value of the material is \$100,000,000 and the value of the products \$60,000,000. Now, come to iron and steel, and you will see at a glance by the comparison how entirely the iron and steel industry distances all the other industries of that great country, in regard to the amount of capital employed, of people engaged, and the result. Of iron and steel industries there are 1,005, the capital employed is \$30,000,000; the number of males above sixteen years of age engaged, 133,000; of females, 45; of children, 7,730; the wages paid out are \$55,476,875; the value of material is \$191,000,000; the value of the product is \$296,000,000. So you see that, just as are the cotton and woollen industries in the United States, as regards the employment of a vast population and the support of a great body of people in connection with these various industries, the iron industry far outstrips and leaves every-thing else in the rear. Now, charcoal iron from bog iron ore was formerly an important industry both in Ontario and in Quebec, and charcoal iron was also made in Carleton, N.B., where to-day, under a policy of fostering this industry in the same way as the cotton and woollen and other industries have been fostered, that blast furnace in Carleton would again be lighted up and would be the foundation of a new and extensive industry in the Province of New Brunswick. The following table and the diagrams in the appendix which I have had sent to every member, in order to make the matter more distinct, will show the Canadian iron trade at a glance:—

REPORTS OF IRON AND STEEL AND MANUFACTURES THEREOF INTO THE DOMINION FOR HOME CONSUMPTION FOR YEARS.

| | | | |
|------------|--------------|------------|---------------|
| 1869 | \$ 6,885,365 | 1879 | \$ 7,962,295 |
| 1869 | 7,385,780 | 1880 | 10,128,660 |
| 1870 | 7,750,667 | 1881 | 12,955,855 |
| 1871 | 10,808,645 | 1882 | 17,499,488 |
| 1872 | 15,913,179 | 1883 | 20,080,274 |
| 1873 | 25,435,020 | 1884 | 14,780,727 |
| 1874 | 20,700,387 | 1885 | 11,415,713 |
| 1875 | 18,199,198 | 1886 | 11,053,365 |
| 1876 | 12,965,117 | | |
| 1877 | 11,082,321 | Total..... | \$253,210,512 |
| 1878 | 9,398,308 | | |

This large amount of \$253,000,000 was paid out in hard cash by the people of Canada to support the iron industries of other countries while our own country seemed as no country in the world teems with all the materials necessary to manu-

facture iron, the coal, the ore, the fluxes, everything that is necessary, and with the labor of our country unemployed. Of this amount \$91,89,630 was free and \$152,330,882 dutiable. There is also a table showing the balance of trade, and how much is accounted for by the importation of iron and steel and the manufacture thereof. You have only to look at that in order to see that the balance of trade against Canada is largely and at once accounted for. If you subtract the amount of imports paid by Canada for iron to sustain the iron industries of other countries, you will find that it is nearly equal to the amount by which our imports have exceeded our exports, and, if you want to balance the trade of the country, if you want to have no outgoing beyond the incoming of the country, cut the Gordian knot, put this iron industry upon the same footing and foundation that you have put all the other industries of Canada, and you will sweep away to a large extent the balance of trade which stands recorded against Canada up to the present time. The imports have amounted to from fourteen to fifteen millions annually since Confederation. As I shall show you directly, there is no country in the world that is consuming iron to a greater extent than this Canada of ours. The consumption of iron in the whole world is 33½ lbs. *per capita*. In Canada the consumption is 260 lbs. *per capita*. In 1883 Canada imported at the rate of \$4.55 *per capita*. Assuming an average of \$35 a ton, that would represent 260 lbs. *per capita*, which makes Canada the third country in the world in the consumption of iron. Great Britain is the first, the United States the second and Canada the third of all the countries in the world in regard to the consumption of iron. The following table shows the consumption of imported iron, steel, and manufactures in Canada and in the United States, since 1863:—

CONSUMPTION PER CAPITA OF IMPORTED, IRON, STEEL AND MANUFACTURES.

| Year. | Canada. | United States. | Year. | Canada. | United States. |
|-----------|---------|----------------|-----------|---------|----------------|
| 1863..... | \$2 04 | \$0 60 | 1878..... | \$2 40 | \$0 18 |
| 1869..... | 2 17 | 0 74 | 1879..... | 2 00 | 0 20 |
| 1870..... | 2 25 | 0 84 | 1880..... | 2 49 | 0 91 |
| 1871..... | 3 01 | 1 09 | 1881..... | 2 98 | 1 00 |
| 1872..... | 4 55 | 1 30 | 1882..... | 4 05 | 1 02 |
| 1873..... | 7 01 | 1 39 | 1883..... | 4 56 | 0 75 |
| 1874..... | 5 77 | 0 81 | 1884..... | 3 32 | 0 60 |
| 1 75..... | 5 15 | 0 46 | 1885..... | 2 28 | 0 50 |
| 1876..... | 3 48 | 0 28 | 1886..... | 2 20 | 0 61 |
| 1877..... | 2 89 | 0 22 | | | |

From this it will be seen that in the United States they produce most of their own iron, whilst we import ours. Now, I will turn the attention of the House for a moment to a matter which lies in close proximity to this question of the iron industry, and that is the coal trade of the country. The following table shows the consumption of coal in the Dominion since 1868:—

TOTAL CONSUMPTION OF COAL IN THE DOMINION.

| Years. | Net tons of 2,000 lbs. | Years. | Net tons of 2,000 lbs. |
|-----------|---------------------------|-----------|---------------------------|
| 1868..... | 714,893 | 1878..... | 1,685,914 |
| 1869..... | 636,704 | 1879..... | 1,748,164 |
| 1870..... | 859,630 | 1880..... | 2,094,844 |
| 1871..... | 852,217 | 1881..... | 2,360,080 |
| 1872..... | 1,227,653 | 1882..... | 2,708,654 |
| 1873..... | 1,398,403 | 1883..... | 3,085,689 |
| 1874..... | 1,454,636 | 1884..... | 3,556,673 |
| 1875..... | 1,362,363 | 1885..... | 3,439,745 |
| 1876..... | 1,466,531 | 1886..... | 3,515,769 |
| 1877..... | 1,751,031 | | |

The total production of coal for the Dominion is shown in this table :

TOTAL PRODUCTION OF COAL IN THE DOMINION.

| Years. | Net tons of 2,000 lbs. | Years. | Net tons of 2,000 lbs. |
|-----------|---------------------------|-----------|---------------------------|
| 1868..... | 623,392 | 1878..... | 1,109,595 |
| 1869..... | 687,527 | 1879..... | 1,152,793 |
| 1870..... | 734,285 | 1880..... | 1,456,793 |
| 1871..... | 804,431 | 1881..... | 1,514,542 |
| 1872..... | 1,038,349 | 1882..... | 1,845,548 |
| 1873..... | 1,228,852 | 1883..... | 1,831,919 |
| 1874..... | 1,068,166 | 1884..... | 1,997,369 |
| 1875..... | 998,104 | 1885..... | 1,973,987 |
| 1876..... | 950,483 | 1886..... | 2,104,170 |
| 1877..... | 1,020,875 | | |

I may say that an unlimited increase, so to speak, is quite within the possibilities of the legislation of this House. I need not tell the House that, notwithstanding that great increase in the production of coal in Canada, a large number of the coal mines of Canada—take, for instance, those in Pictou, those in Cape Breton—which depend on the sea, are closed for something like six months in the year; and that upon a safe calculation it may be said that an enormous amount of loss of working power is caused by the fact that they are only able to work half time in consequence of a want of demand for the article itself.

Now, the protection of iron in this country will give to the coal industry of this country such a development as will enormously increase the demand for labor in connection with the mining of coal and of ore. The manufacture of charcoal in the timbered country I have already referred to, and to the enormous amount of labor it will involve. The principle of the American tariff I have already explained. They have created this great iron industry in the United States by giving to the labor employed protection just in proportion to the amount of days' work consumed in producing the article, whether it was a ton of pig iron, a ton of puddled bars, a ton of bar iron, or the manufacture in its very highest state. Our policy, as I have shown, is diametrically the reverse, and the result is that while they have been building up this magnificent iron industry in the United States and at the same time steadily and enormously reducing the cost of iron in that country, we, with all that nature

| United States. |
|----------------|
| \$0 18 |
| 0 20 |
| 0 91 |
| 1 00 |
| 1 02 |
| 0 75 |
| 0 60 |
| 0 50 |
| 0 61 |

has done for us in the most unbounded and unstinted manner, furnished with all the raw material necessary to make our country great and prosperous, are allowing to pass away this golden opportunity of reaping a harvest by creating great national industries, giving increased labor to the people, and thus building up great and thriving communities, and furnishing profitable employment to thousands and tens of thousands of additional inhabitants to our country. We are allowing other countries to reap the benefit, other countries not half so well situated as we are for the production of iron—reap this golden harvest that lies unconsidered at our feet. Now, Sir, this was done in the United States by following a policy the very reverse of ours.

I may just say before passing away from the question of coal, which we have developed so successfully, that instead of increasing the cost of coal to the people of this country, I hold in my hand a table showing that the price paid in the city of Montreal for bituminous coal in 1877, was \$4.50 per ton, while in 1886 the same coal sold for from \$3 to \$3.50 per ton. Now, the United States, graduating their tariff upon the amount of labor employed in producing the article, put \$6 a ton on pig iron; our duty is \$2. They put \$6 a ton on cast iron scrap and old shell; in Canada it is free. They put \$16 a ton on puddle bars, blooms, &c.; ours is 10 per cent., or \$1.70 per ton. They put \$6 per ton on wrought scrap; under the Canadian tariff it is free. They put \$16 and \$22, according to sizes, on bar iron, spike, rod, &c.; our duty is 17½ per cent., about equal to \$5 per ton. They put \$20 a ton upon thick hoops and sheets; ours is 17½ per cent. They put \$23 a ton upon thin sheets; ours is 12½ per cent. On cut spikes they put \$25 per ton; ours is equivalent to \$13.45, more nearly assimilating to theirs. Now, it is impossible to read those two tariffs of the United States and Canada without seeing at a glance why it is that while they have made the iron industry the most successful and most important industry in that country, we are standing still at the threshold, looking idly on, and leaving all these undeveloped treasures to lie at our feet, and only wanting the adoption of a sound and rational policy, the adoption of that National Policy that has placed Canada in the proud position it occupies to-day, by applying it to other industries; waiting, I say, to have that same policy applied to the iron industry of this country to give us an increased development that will, I believe, be found to surpass all the other industries of our country, just as the figures I have read of the woollen and cotton industries of the United States shows that they have been surpassed transcendently by the iron industry of that country. Sir, imagine the helpless position Canada would be in in the event of war. What could the country do without iron? I do not believe the child is born that will witness a war in Canada. I regard the position we occupy as one that gives the best possible assurance that we will have peaceful progress within our borders. But while that is the strong probability, is it not worth while for us to consider what a country would do, that is consuming 260 pounds of iron per head of the population, if they were cut off with no iron industry within the country to meet the emergency, and to give us that supply

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which is absolutely necessary for the progress and advancement of every other industry within our border. Why, Sir, our position is a helpless one at present. Belgium, Germany and England combined to put up the price of steel rails in Canada \$5 a ton, and you had to pay that increase in consequence of the fact that you had no iron industries in your country, and to-day you are paying for wrought iron pipe enormously above what the article costs, because those countries at this moment have agreed to put up the price to the consumers of wrought iron pipe in this country. Now, I say it was only a short time ago that England, Belgium and Germany combined, and Canada had to pay, and did pay, \$5 a ton more for every ton of steel rails imported into the country than we ought to have paid, because we, in our present condition, with our country filled with iron, filled with coal, filled with limestone, and all in close proximity to each other, have not had the sagacity, we have not had the courage to adopt the same rational policy in regard to this industry that we have adopted with regard to others. Why, Sir, in this very county of Ottawa, the country teems with iron ore as rich as any in the world. All through this region there are unbounded forests to furnish charcoal, and all that is wanted is fair and legitimate protection to vitalise and develop the industry and give employment to the people, and aid at the same time the colonisation of those rich tracts of country by furnishing to the poor men who go into the forests the means of getting a fair price for the timber they are now obliged to waste, in order that they may cultivate the land. How do you suppose the combination between England, Germany and Belgium was broken up, under which we were paying \$5 a ton more for our rails? Strange as it may seem, it was broken up by means of the United States. The Canadian Pacific Railway Company broke it up by giving an order for steel rails to the United States, instead of to that combination, teaching the people in England, Germany and Belgium that we were not so prostrate as they supposed, not quite so helpless as they supposed, and that led to breaking up the combination, because they became alarmed at the fact that in the United States, where rails were \$159 a ton only a few years ago, the price has been brought down to \$26, showing the influence of this rational policy.

Sir RICHARD CARTWRIGHT. That is new.

Sir CHARLES TUPPER. It is not only a National Policy, but it is a rational policy. It is a policy that is national because it is rapidly making Canada a nation, it is a rational policy because the very foundation of reason is in a Government, a Parliament, a country furnishing employment to the mass of the industrial people. Well, Mr. Speaker, twenty years ago iron rails were made in Toronto and Hamilton, and within the next ten years we will make all our own rails. I do not propose to ask this House to adopt the policy, the Government does not propose at this moment, regarding the increased railway development of the country as one of the vital essentials of progress and prosperity, to include in this arrangement what the United States has done, and done with such success, and that is to apply it to steel rails. We propose that they shall come in free as they have done in the past, because

we consider that should be made an exception. I do not hesitate to say that the adoption of this policy will, in my judgment, place Canada in a position where she will be able to provide her own rails, and that at no distant period, at as reasonable a rate as any country in the world. Why should we not do so? Show me any country possessing as many miles of railway as Canada does that does not manufacture its own rails? It cannot be done. There is no country in the world with 12,000 miles of railway in operation that does not manufacture the rails used there. Why should we not at no distant day under the application of this protective policy for the iron industry of Canada, be in a position to manufacture our rails successfully and efficiently? Now, as to car axles. There are several places in this country where they are now made. As showing that there is no want of skill in Canada, that Canadians are equal, without any outside assistance, to deal with manufacturing matters, I can point to a foundry in Montreal where most excellent steel castings are turned out. Go to New Glasgow and you will find a steel industry built up by local capital of from \$300,000 to \$400,000 invested by Nova Scotians, or by Canadians, at all events, where they are turning out the very best articles that can be produced. All that is wanted is fostering protection in order to make the quantity as great as the quality is good. In those works there is not a man employed who is not a Canadian. The ready intelligence which Canadians possess enables them within a short time to master the most intricate processes in connection with any industry. In the county of Pictou, iron, coal and limestone are found in the closest proximity; within a radius of ten miles there is everything necessary to build up a great and successful industry; and this mineral wealth is found on the seaboard so that the products of the industry can be cheaply transported by water to the head of Lake Superior if required.

All descriptions of iron ore are found in this country, so that when we are told by persons engaged in the iron founding industries that they require other iron to mix with Londonderry iron because it is too good, that they require to import Scotch pig iron, the answer is that we possess within our own borders every variety of iron ore, so that any mixture desired can be made. We have specular iron ore with 68·33 percentage metallic iron, compact limonite 57·71, fibrous limonite 59·50, red hematite, and also fossiliferous hematite 54·36, and spathic ore with 43·56. In New Brunswick there is hematite iron ore; in the county of Carleton ore and coal are to be found, also in different districts of that Province. Bog ore in Queen's, Sunbury, York, Charlotte, Restigouche and Northumberland counties, in close proximity to the Intercolonial Railway. It is specially applicable to the manufacture of charcoal iron. There are iron ores in Quebec. Magnetic iron ores are found more or less throughout the Laurentian range of mountains along the Ottawa River. At the Hull or Baldwin mines, west of the Gatineau River, the ore analyses 67 per cent. The quantity is estimated at 100,000,000 tons. The Haycock mine ore ranges from 64 to 68 per cent. metal. Bristol mine 58 per cent. iron. In Three Rivers and Drummondville there is both bog and iron ore in abundance, and unlimited timber

for making charcoal. In the Eastern District of Ontario, back of Kingston, Belleville, Trenton and Cobourg, between Lake Ontario and the Ottawa River; in the townships of Marmora, Hastings, Tudor, Bedford, Madoc, Wollaston, Palmerston, Bagot, Belmont, Darling, Barrie, Galway, Snowdon and many others, there is magnetic iron in abundance. This district is served by the Ontario and Quebec, Kingston and Pembroke Railways, the Central Ontario, Cobourg and Peterboro', and Grand Trunk Railways, and by the Rideau and Trent Canals. There is plenty of timber all through this district. I had a conversation with a surveyor who had explored these lines for a hundred of miles through these districts, and away up 130 miles further, to the intersection of the Canadian Pacific Railway, and I was assured that not only was there an unlimited quantity of iron through that district, but that the forests along that line of communication could not be surpassed in any country in the world for the production of charcoal.

Now, I have shown you that the Lake Superior ores of the United States are carried one thousand miles to the coal, for the purpose of manufacturing the pig iron. If that be the case, what is to prevent the policy of the ship that carries the ore from Weller's Bay, Kingston and Cobourg, across to the United States ports, bringing back a cargo of the anthracite coal which is within one hundred and fifty miles from the point of shipment? There is nothing to prevent it but one thing, and that is the duty upon the anthracite coal; and what I propose to ask this House to do, in adopting the policy of vitalizing this great industry for Canada, is to take the duty off anthracite coal and make it free. The moment that is done we shall have blast furnaces at Cobourg, Weller's Bay and Kingston, at all events, served by anthracite coal, making that description of anthracite iron which is so highly valued by gentlemen connected with foundries. The distance between Weller's Bay and Charlotte, in the United States, is about sixty miles, and from Rochester to the anthracite mines is 150 miles; and, I think, when I give those distances and give what is accomplished every day in the United States, where coal and iron are 1,000 miles apart, I shall have settled the problem that nothing will be easier than to establish blast furnaces in the Province of Quebec and the Province of Ontario, by which you can not only manufacture unlimited quantities of charcoal iron but manufacture the iron by the use of anthracite coal. Now, Sir, you may ask me what about the great North-West. Well, Sir, it is well known that you have in the North-West the most boundless supply of coal that is to be found in any part of this Dominion. One of the great advantages we have over the prairie country to the south of us, is the unlimited supply of fuel furnished by nature in the form of lignite and bituminous coal. And you have not only 50,000 square miles of this lignite and bituminous coal in the great North-West, to furnish enormous quantities of fuel for generations to come, but you have on Big Island, in Lake Winnipeg, a valuable deposit of iron ore, and any quantity of timber to make charcoal to convert it into iron. All it requires is the adoption of this policy in order to establish at an early day industries for the manufacture of iron in the North-West as well as in the other portions of the country. And what more?

Across the Rocky Mountains, need I tell you that in British Columbia you have one of the most magnificent deposits of iron ore—on Texada Island (30 miles long and 5 miles wide)—that is to be found in any place in the world, rich in the highest degree in iron; and that you have the Nanaimo coal fields to furnish fuel to put blast furnaces in operation at an early day, lying within thirty miles of Texada Island. I say, that with the prospect of opening up trade with Australia, with China and Japan, although I am not a prophet nor the son of prophet, I believe that at no distant day you will have in the Province of British Columbia an iron industry built up which will compare favorably with that of any other industry in this country. Now, Sir, you will ask me to give you a little more closely than in the general terms I have employed, what would be the result of Canada entering upon this national policy of manufacturing her own iron, and I will give you briefly my calculations on that point. And, though I base my estimate on our past consumption of iron, giving this industry the same protection that is given to others—I say that we need not base it on the past consumption of iron, for, with the development which is opening up our industries, a very feeble glance at the past furnishes an indication in regard to what the result of adopting such a policy would be. We are making rapid strides, and if you take these diagrams, these graphic illustrations which I have placed before you, and look at what we have done in the last eighteen years, tell me if you can, the measure of what the progress of Canada will be in the next ten or twenty years. We are only opening up this great question of developing the industries of our country, and I have no hesitation in saying that a more moderate calculation could not be made than the one I shall now offer the House, basing my calculation on the present consumption of iron. Our present consumption is equivalent to 250,000 tons of pig iron, leaving steel rails out of the question altogether. To make this quantity of pig iron, you require 750,000 tons of iron ore. You require 120,000 tons of limestone and 750,000 tons of coal to make it into iron in its first stage, pig iron; and the freight required for the means of intercommunication in bringing these materials together, amounts to not less than 1,625,000 tons. To manufacture it into puddled bars, merchant bars, and the various shapes and sizes into which it is made, it would require an additional quantity of 750,000 tons of coal, making a total consumption of 1,500,000 tons.

It is on the ground that the development of the iron industry of Canada will tax the coal industry of this country to its utmost capacity, in order to furnish the additional output that will be required, and with all the advantages connected with that increased development, that I am enabled to say to the House that although making anthracite coal free will take \$497,000 away from the Government in revenue which it is now receiving, we would be perfectly justified in doing it, because the development of this iron industry would be giving to the coal-mining industry a greater advantage and boon than that which would be taken away by the removal of the duty. Now, Sir, what does this involve? Take the diagram of Sir Lowthian Bell—the highest authority in the world—the man who in England is considered head and

shoulders above every authority on these questions. Taking his diagram, which I have sent to every hon. gentleman in the House, you will see the price of Scotch pig iron and the earnings of the colliers in Scotland in comparison with Westphalia, and it follows that just as the production of iron increases or decreases, so the production of coal increases or decreases. Now, Sir, the result is that by the adoption of this policy you will give permanent employment to an army of men numbering at least 20,000, increasing our population from 80,000 to 100,000 souls, and affording the means of supporting them in comfort and prosperity. I say, Sir, that if there is anything in the National Policy, if we have not been all wrong from the very start, if the history of Canada shows that this National Policy has achieved for Canada what we said it would achieve—and I have given the most abundant and irrefragable evidence on that point—if there is any question on which there ought not to be any doubt in the mind of any hon. gentleman, it is that the application of the same sound policy which we have found so admirable and successful in relation to all other industries, will have the same result in regard to the great iron industry of this country. Now, this estimate of an increased population of 100,000 souls does not take into account the manufacture of castings and forgings, cutlery and edged tools, hardware, machinery and engines, or steel rails. Were we to manufacture these articles now imported—and there is no reason why we should not steadily progress to that point—the population I have mentioned of 100,000 souls would be no less than trebled.

I may briefly give to the House the effect of the resolutions which I propose to lay upon the Table; and I may say that the Government have given the most careful attention to the proposals that have been made to us in reference to changes in the Tariff. We have found that in order to carry to its legitimate conclusion the policy we have applied to the various industries established in the country, it is desirable to make changes in the Tariff, which in all will involve an increase in round numbers of something under \$500,000 a year. In regard to iron, the increased revenue we expect to receive this year will not be over half a million from the changes proposed in these resolutions; and while we have no reason to doubt that they will be entirely effectual in bringing rapidly into this country all the capital that is necessary to vitalise this great industry and put it into a flourishing condition, all the increased taxation that will be involved over the whole of Canada, from sea to sea, will be something like half a million dollars a year. That increased taxation, however, will all be swept away and given back to the people by the one resolution which makes anthracite coal free; and the Provinces of Ontario and Quebec, which largely pay that duty, will be greatly benefited instead of oppressed or burthened by the adoption of the policy that is now proposed.

I do not think it necessary, Sir, to occupy the time of the House at greater length in making these explanations, and I am anxious to close at such an hour as will give an opportunity for the fullest criticism from the other side of the House. In this proposed tariff we have not followed exactly the American system. We have based it upon the principle of applying two-thirds of the American rate. There is

at present provided by law a bounty of \$1.50 a ton until the 30th June, 1889, on every ton of pig iron manufactured in the country ; and afterwards that bounty is a \$1.00 a ton, until it ends in June, 1892. We of course leave that as it is ; and in the meantime, instead of adopting the American tariff of \$6 a ton upon pig iron, we propose to adopt two-thirds of that tariff by raising the duty from \$2 a ton, as it is at present, to \$4 in addition to the bounty. And then we have applied as a general principle—modified in certain cases according as we felt it desirable in the interest of the country, a little more or a little less—that two-thirds rate to all the branches of the iron industry throughout the country. We do not propose to increase the tariff on sheet iron, hoop iron, or the lower kinds of round iron, which are left at the old rate at present, because these I do not expect at an early day to be manufactured in the country. The duty on steel worth 4 cents per lb. and under is placed at 30 per cent, or on an equal footing with the iron duty. On steel worth over 4 cents per lb., we leave the revenue duty of $12\frac{1}{2}$ per cent., because we do not expect that high class of steel at an early day to be manufactured in the country ; so that miners and others using a high class of steel will not be affected adversely by the change. On wire rods, wire rope and wire fencing the duty is not proposed to be increased. The duty on boiler plate and locomotive tubes remains, for obvious reasons, unchanged, as we wish to do all we can to develop the manufacture of engines in our own country, and to furnish all the aid we can to railways. The highest *ad valorem* rate, therefore, on them, under the proposed tariff, would be about 35 per cent. The unenumerated articles, embracing hardware stores, edge tools, cutlery, &c., will come in at 30 per cent. duty. And now, Mr. Speaker, thanking the House very much for the kind indulgence with which they have listened to my very lengthened statement, and my efforts at making these explanations, and regretting that the condition of my voice has not enabled me to do better justice to the subject, I will submit the resolutions which it is proposed to offer for the consideration of the House.

NOTES.—The resolutions, as finally adopted by the House, will be found in the appendix.

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APPENDIX.

Tariff Resolutions as finally adopted by the House :

GOODS SUBJECT TO DUTIES.

1. Advertising pamphlets, not illustrated,
 one cent each..... 1c. each.
2. Advertising pictures, pictorial show-
 cards, illustrated advertising periodi-
 cals, illustrated price lists, advertising
 calendars, advertising almanacs, and
 tailors' and mantle-makers' fashion
 plates, and all chromos, chromotypes,
 oleographs and other cards, pictures or
 artistic works of similar kinds produced
 by any process other than hand paint-
 ing or drawing, and being for business
 or advertising purposes or not, printed
 or stamped on paper, card board or other
 material, six cents per pound and twenty
 per cent. *ad valorem*..... 6c. per lb.
 and 20 p. ct.
3. Barrels containing salted meats, twenty
 cents each..... 20c. each.
4. Blacking, shoe, and shoemakers' ink,
 thirty per cent. *ad valorem*..... 30 p. ct.
5. Blueing, laundry blueing of all kinds,
 thirty per cent. *ad valorem*..... 30 p. ct.
6. Braces or suspenders, thirty-five per cent.
ad valorem..... 35 p. ct.
7. Brass in bars and bolts, drawn, plain and
 fancy tubing, ten per cent. *ad valorem*... 10 p. ct.
8. British gum, dressine, sizing cream and
 enamel sizing, one cent per pound..... 1c. p. lb.
9. Buttons of vegetable ivory or horn, ten
 cents per gross and twenty-five per cent. *ad valorem*..... 10c. p. gross
 and 25 p. ct.
10. Buttons, all other, not elsewhere speci-
 fied, twenty-five per cent. *ad valorem*... 25 p. ct.

CARRIAGES :—

11. Buggies of all kinds, farm waggons, farm,
 railway or freight carts, pleasure carts
 or gigs and similar vehicles, costing less
 than fifty dollars, ten dollars each ;
 costing fifty dollars and less than one
 hundred dollars, fifteen dollars each, and
 in addition thereto in each case, twenty
 per cent. *ad valorem*..... \$15 each
 and 20 p. ct.

12. All such carriages, costing one hundred dollars each and over, thirty-five per cent. *ad valorem*..... 35 p. ct.
13. Cigars and cigarettes, two dollars per pound and twenty-five per cent. *ad valorem*, the weight of cigarettes to include the weight of the paper covering \$2 per lb. and 25 p. ct.
14. Clay tobacco pipes, thirty-five per cent. *ad valorem* 35 p. ct.
15. Clothes wringers, one dollar each and thirty per cent. *ad valorem* \$1 and 30 p. ct.
16. Cocoa matting, thirty per cent. *ad valorem* 30 p. ct.
17. Clothing made of cotton or other material, not otherwise provided for, including corsets and similar articles made up by the seamstress or tailor, also tarpaulin plain or coated with oil, paint, tar or other composition, and cotton bags made up by the use of the needle, not otherwise provided for, thirty-five per cent. *ad valorem*..... 35 p. ct.
18. Collars of cotton or linen, twenty-four cents per dozen, and thirty per cent. *ad valorem*..... 24c. p. doz. and 30 p. ct.
19. Colored fabrics, woven, of dyed or colored cotton yarn, or part jute and part cotton yarn, or other material, except silk, not elsewhere specified, twenty-five per. cent. *ad valorem*..... 25 p. ct.
20. Combs, for dress and toilet, of all kinds, thirty per cent. *ad valorem*..... 30 p. ct.

COTTONS :—

21. Bed comforters or cotton bed quilts, not including woven quilts or counterpanes, thirty-five per cent. *ad valorem*..... 35 p. ct.
22. Cotton sewing thread on spools, twenty-five per cent. *ad valorem*..... 25 p. ct.
23. Jeans and couilles, when imported by corset-makers for use in their factory, twenty-five per cent. *ad valorem*..... 25 p. ct.
24. Printed or dyed cotton fabrics, not elsewhere specified, thirty-two and a-half per cent. *ad valorem*..... 32½ p. ct.
25. Cuffs of cotton or linen, four cents per pair and thirty per cent. *ad valorem*..... 4c. per pr. and 30 p. ct.
26. Drain pipes and sewer pipes, glazed, thirty-five per cent. *ad valorem*..... 35 p. ct.
27. Earthenware and stoneware, namely, demijohns or jugs, churns and crocks, three cents per gallon of holding capacity..... 3c. p. gall.

28. Earthenware and stoneware, brown or colored, Rockingham ware, white, granite or iron stoneware, C. C. or cream colored ware, decorated, printed or sponged, and all earthenware not elsewhere specified, thirty-five per cent. *ad valorem*..... 35 p. ct.
29. Flag stones, sawn or otherwise dressed, two dollars per ton..... \$2 per ton.
30. Flasks and phials of eight ounces capacity and over, telegraph and lightning rod insulators, jars and glass balls, and cut, pressed or moulded tableware, five cents per dozen pieces, and thirty per cent. *ad valorem*..... 5c. p. dozen and 30 p. ct.
31. Gas meters, thirty per cent. *ad valorem*... 30 p. ct.
32. Glass carboys and demijohns, bottles and decanters, flasks and phials of less capacity than eight ounces, thirty per cent. *ad valorem*..... 30 p. ct.
33. Glue, sheet, broken sheet and ground, three cents per pound..... 3c. per lb.
34. Gold and silver leaf, thirty per cent. *ad valorem*..... 30 p. ct.
35. Gooseberry bushes, two cents each..... 2c. each.
36. Grape vines, costing ten cents and less, three cents each..... 3c. each.
37. Harness and leather dressing, twenty-five per cent. *ad valorem*..... 25 p. ct.
38. Harness and saddlery, of every description, thirty-five per cent. *ad valorem* 35 p. ct.

IRON AND STEEL, MANUFACTURES OF, VIZ. :—

39. Wrought scrap iron and scrap steel, being waste or refuse wrought iron or steel that has been in actual use and is fit only to be re-manufactured, two dollars per ton..... \$2 per ton,
40. Ferro-manganese, ferro-silicon, spiegel, steel bloom ends, and crop ends of steel rails, for the manufacture of steel, two dollars per ton..... \$2 per ton.
41. Iron in pigs, iron kentledge and cast scrap iron, four dollars per ton..... \$4 per ton.
42. Iron in slabs, blooms, loops, puddled bars, or other forms less finished than iron in bars, and more advanced than pig iron, except castings, nine dollars per ton..... \$9 per ton.
43. Bar iron, rolled or hammered, comprising flats, rounds and squares, and bars and shapes of rolled iron, not elsewhere specified, thirteen dollars per ton..... \$13 per ton.

44. Iron and steel wire, galvanized or not, fifteen gauge and coarser, not elsewhere specified, twenty-five per cent. *ad valorem* 25 p. ct.
45. Wire of spring steel, coppered or tinned, number nine gauge or smaller, not elsewhere specified, twenty per cent. *ad valorem* 20 p. ct.
46. Boiler or other plate iron, sheared or unsheared, skelp iron, sheared or rolled in grooves, and sheet iron, common or black, not thinner than number twenty gauge, not elsewhere specified, including nail plate of iron or steel, sixteen gauge and thicker, thirteen dollars per ton \$13 per ton.
47. Sheet iron, common or black, smoothed or polished, and coated or galvanized, thinner than number twenty gauge, Canada plates, and plate of iron or steel not less than thirty inches wide and not less than one-fourth of an inch in thickness, twelve and a-half per cent. *ad valorem* 12½ p. ct.
48. Hoop or band or scroll or other iron, eight inches or less in width, and not thinner than number twenty gauge, thirteen dollars per ton \$13 per ton.
49. Hoop or band or scroll or other iron, eight inches or less in width and thinner than number twenty gauge, twelve and a-half per cent. *ad valorem* 12½ p. ct.
50. Railway fish plates, twelve dollars per ton \$12 per ton.
51. Rolled iron or steel angles, channels, structural shapes and special sections, weighing less than twenty-five pounds per lineal yard, not elsewhere specified, half a cent per pound and ten per cent. ½ c. p. lb. and *ad valorem* 10 p. ct.
52. Rolled iron or steel beams, girders, joists, angles, channels, structural shapes, and special sections, weighing not less than twenty-five pounds per lineal yard, twelve and one-half per cent. *ad valorem* 12½ p. ct.
53. Rolled iron or steel beams, girders, joists, angles, channels, eyebar blanks made by the Kloman process, together with all other structural shapes of rolled iron or steel, including rolled iron or steel bridge plate not less than three-eighths of an inch thick, nor less than fifteen

- inches wide, when imported by manufacturers of bridges for use exclusively in the manufacture of iron and steel bridges, twelve and one-half per cent. *ad valorem*..... 12½ p. ct.
- 55 p. ct.
54. Iron bridges and structural iron work, one and one-fourth cent per pound, provided that the duty shall not be less than thirty-five per cent. *ad valorem*..... 1¼c. p. lb. but not less than 35 p. ct.
- 0 p. ct.
55. Forgings of iron and steel, or forged iron of whatever shape or in whatever stage of manufacture, not elsewhere specified, one and one-half cent per pound, provided that the duty shall not be less than thirty-five per cent. *ad valorem* 1½c. p. lb. but not less than 35 p. ct.
- per ton.
56. Steel ingots, cogged ingots, blooms and slabs, by whatever process made, billets and bars, bands, hoops, strips and sheets of all gauges and widths, all of above classes of steel not elsewhere provided for, valued at four cents or less per pound, thirty per cent. *ad valorem*, but not less than twelve dollars per ton, except ingots, cogged ingots, blooms and slabs upon which the specific duty shall be not less than eight dollars a ton..... 30 p. c. but not less than \$12 per ton.
- 2½ p. ct.
57. When of greater value than four cents per pound, twelve and a-half per cent. *ad valorem* \$8 per ton.
- per ton.
58. Plate of iron and steel combined, and steel not specially enumerated or provided for, thirty per cent. *ad valorem*..... 12½ p. ct.
- 2½ p. ct.
59. Provided that on all iron or steel bars, rods, strips or steel sheets, of whatever shape, and on all iron or steel bars of irregular shape or section, cold rolled, cold hammered or polished in any way in addition to the ordinary process of hot rolling or hammering, there shall be paid one-sixth of one cent per pound in addition to the rates imposed on the said materials 30 p. ct.
- per ton.
60. Provided further, that all metal produced from iron or its ores, which is cast and malleable, of whatever description or form, without regard to the percentage of carbon contained therein, whether produced by cementation, or converted, cast or made from iron or its ores by the crucible, Bessemer, pneumatic, Thomas Gilchrist, basic, Siemens-Martin or open hearth process, or by ¼c. per lb. additional.
- p. lb. and
10 p. ct.
- 12½ p. ct.

the equivalent of either, or by the combination of two or more of the processes or their equivalents, or by any fusion or other process which produces from iron or its ores a metal either granulous or fibrous in structure, which is cast and malleable, except what is known as malleable iron castings, shall be classed and denominated as steel.

61. Provided further, that all articles rated as iron or manufacture of iron, shall be chargeable with the same rate of duty if made of steel, or of steel and iron combined, unless otherwise specially provided for.
62. Malleable iron castings, and steel castings not elsewhere specified, twenty-five dollars per ton, provided the duty shall not be less than thirty per cent. *ad valorem*..... \$25 per ton
but not less
than 30 p. ct.
63. Cast iron vessels, plates, stove plates and irons, sad irons, hatters' irons, tailors' irons and castings of iron not elsewhere specified, sixteen dollars per ton, provided the duty shall be not less than thirty per cent. *ad valorem*..... \$16 per ton
but not less
than 30 p. ct.
64. Cast iron pipe of every description, twelve dollars per ton, provided that the duty shall not be less than thirty-five per cent. *ad valorem*..... \$12 per ton
but not less
than 35 p. ct.
65. Axles and springs of iron or steel, parts thereof, axle bars, axle blanks or forgings for carriages other than railway and tramway vehicles, without reference to the stage of manufacture, one cent per pound and thirty per cent. *ad valorem*..... 1c. p. lb. and
30 p. ct.
66. Iron or steel car axles, parts thereof, axle bars, axle blanks or forgings for axles, and car springs of all kinds, and all other springs not elsewhere specified, without reference to the stage of manufacture, thirty dollars per ton, but not less than thirty-five per cent. *ad valorem*. \$30 p. ton,
but not less
than 35 p. ct.
67. Fire engines, thirty-five per cent. *ad valorem*..... 35 p. ct.
68. Locomotives and other steam engines, boilers and machinery composed wholly or in part of iron or steel, not elsewhere specified, thirty per cent. *ad valorem*; provided that any locomotive which with its tender weighs thirty tons or 30 p. ct.

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| | over, shall pay a duty of not less than two thousand dollars..... | \$2,000 each. |
| | 69. Portable machines, portable steam engines, threshers and separators, horse powers, portable saw mills and planing mills, and parts thereof in any stage of manufacture, thirty-five per cent. <i>ad valorem</i> | 35 p. ct. |
| | 70. Boiler tubes of wrought iron or steel, fifteen per cent. <i>ad valorem</i> | 15 p. ct. |
| | 71. Tubes not welded, nor more than one and one-half inch in diameter, of rolled steel, fifteen per cent. <i>ad valorem</i> | 15 p. ct. |
| | 72. Lap-welded iron tubing, threaded and coupled or not, one and one-quarter inch in diameter and over, but not over two inches, for use exclusively in artesian wells, petroleum pipe lines and for petroleum refineries, twenty per cent. <i>ad valorem</i> | 20 p. ct. |
| per ton not less 30 p. ct. | 73. Wrought iron tubing, threaded and coupled or not, over two inches in diameter, fifteen per cent. <i>ad valorem</i> | 15 p. ct. |
| per ton not less 30 p. ct. | 74. Other wrought iron tubes or pipes, six-tenths of one cent per pound and thirty per cent. <i>ad valorem</i> | $\frac{6}{10}$ c. p. lb. and 30 p. ct. |
| per ton not less 35 p. ct. | 75. Safes, doors for safes and vaults, scales, balances and weighing beams of iron or steel, thirty-five per cent. <i>ad valorem</i> | 35 p. ct. |
| | 76. Skates, twenty cents per pair and thirty per cent. <i>ad valorem</i> | 20c. p. pair and 30 p. ct. |
| | 77. Wire rope of iron or steel, not otherwise provided for, twenty-five per cent. <i>ad valorem</i> | 25 p. ct. |
| p. lb. and 30 p. ct. | 78. Screws, commonly called "wood screws," two inches or over in length, six cents per lb.; one inch and less than two inches, eight cents per lb.; less than one inch, eleven cents per lb..... | 6c. p. lb. 8c. p. lb. 11c. p. lb. |
| 30 p. ton, not less 35 p. ct. | 79. Hardware, viz.:—Builders', cabinet makers' and carriage hardware and locks, tinsmiths' tools and harness makers' and saddlers' hardware, including curry-combs, thirty-five per cent. <i>ad valorem</i> .. | 35 p. ct. |
| 35 p. ct. | 80. Muskets, rifles and other firearms, and surgical instruments, twenty per cent. <i>ad valorem</i> | 20 p. ct. |
| 30 p. ct. | 81. Iron or steel rivets, bolts with or without threads, or nut or bolt blanks, less than three-eighths of an inch in diameter, one and one-half cent per lb. and thirty per cent. <i>ad valorem</i> | $1\frac{1}{2}$ c. p. lb. and 30 p. ct. |

82. Nails and spikes, wrought and pressed, galvanized or not, horse shoe nails, hob nails and wire nails, and all other wrought iron or steel nails, not elsewhere specified, and horse, mule, or ox shoes, one and a-half cent per lb., but not less than thirty-five per cent. *ad valorem*..... $1\frac{1}{2}$ c. p. lb. but not less than 85 p. ct.
83. Cut tacks, brads or sprigs, not exceeding sixteen ounces to the thousand, two cents per thousand..... 2c. p. 1000.
84. Exceeding sixteen ounces to the thousand, two cents per pound..... 2c. p. lb.
85. Wrought iron or steel nuts and washers, iron or steel rivets, bolts with or without threads or nuts and bolt blanks, and finished hinges or hinge blanks, not elsewhere specified, one cent per lb and twenty-five per cent. *ad valorem*..... 1c. p. lb. and 25 p. ct.
86. Cut nails and spikes of iron or steel, one cent per pound..... 1c. p. lb.
87. Swedish rolled iron nail rods, under a half inch in diameter, for manufacture of horse shoe nails, twenty per cent. *ad valorem*..... 20 p. ct.
88. Iron or steel railway bars and rails for railways and tramways, of any form, punched or not punched, not elsewhere specified, six dollars per ton..... \$6 p. ton.
89. Manufactures, articles or wares not specially enumerated or provided for, composed wholly or in part of iron or steel, and whether partly or wholly manufactured, thirty per cent. *ad valorem*..... 30 p. ct.
90. Labels for fruit, vegetables, meat, fish, confectionery and other goods, also tickets, posters, advertising bills, and folders, fifteen cents per pound and twenty-five per cent. *ad valorem*..... 15c. p. lb and 25 p. ct.
91. Leather, sole, a half cent per pound and fifteen per cent. *ad valorem*..... $\frac{1}{2}$ c. p. lb. and 15 p. ct.
92. Leather, belting leather, and all upper leather, including kid, lamb, sheep, and calf, tanned or dressed, but not colored, waxed, or glazed, fifteen per cent. *ad valorem*..... 15 p. ct.
93. Leather, japanned, patent or enamelled, twenty-five per cent. *ad valorem*..... 25 p. ct.
94. Linseed or flaxseed oil, raw or boiled, thirty per cent. *ad valorem*..... 30 p. ct.

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| 95. Liquorice root, paste extract of, two cents per pound..... | 2c. p. lb. |
| 96. Maccaroni and vermicelli, two cents per pound.. | 2c. p. lb. |
| 97. Marble in blocks from the quarry, in the rough or sawn on two sides only, and not specially shapen, containing 15 cubic feet or over, ten per cent. <i>ad valorem</i> | 10 p. ct. |
| 98. Marble in blocks from the quarry, in the rough or sawn on two sides only, and not specially shapen, containing less than fifteen cubic feet, fifteen per cent. <i>ad valorem</i> | 15 p. ct. |
| 99. Marble slabs, sawn on not more than two sides, fifteen per cent. <i>ad valorem</i> | 15 p. ct. |
| 100. Marble blocks and slabs, sawn on more than two sides, twenty-five per cent. <i>ad valorem</i> | 25 p. ct. |
| 101. Marble, finished, and all manufactures of marble, not elsewhere specified, thirty-five per cent. <i>ad valorem</i> | 35 p. ct. |
| 102. Mucilage, thirty per cent. <i>ad valorem</i> | 30 p. ct. |
| 103. Newspapers, partly printed and intended to be completed and published in Canada, twenty-five per cent. <i>ad valorem</i> | 25 p. ct. |
| 104. Oil cloth, floor, five cents per square yard, and twenty per cent. <i>ad valorem</i> | 5c. p. sq. yd. and 20 p. ct. |
| 105. Oil cloth, in the piece, cut or shaped, oiled, enamelled, stamped, painted or printed, India rubbered, flocked or coated, not otherwise provided for, five cents per square yard, and fifteen per cent. <i>ad valorem</i> | 5c. p. sq. yd. and 15 p. ct. |
| 106. Opium (drug) one dollar per pound..... | \$1 p. lb. |
| 107. Oranges and lemons, in boxes of capacity not exceeding two and one-half cubic feet, twenty-five cents per box; in one-half boxes, capacity not exceeding one and one-fourth cubic feet, thirteen cents per half box; in cases and all other packages, ten cents per cubic foot holding capacity; in bulk, one dollar and sixty cents per one thousand oranges or lemons; in barrels not exceeding in capacity that of the one hundred and ninety-six pounds flour barrel, fifty-five cents per barrel..... | 25c. p. box. 13c. p. half box. 10c. p. c. f. \$1.60 p. 1000 55c. p. brl. |
| 108. Paper hangings, or wall paper, in rolls, on each roll of eight yards or under, and so in proportion for all greater lengths of the following descriptions, viz. :— | |
| a. Brown blanks, two cents..... | 2c. |

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| b. White papers, grounded papers, and satins, three cents..... | 3c. |
| c. Single print bronzes, seven cents..... | 7c. |
| d. Colored bronzes, nine cents..... | 9c. |
| e. Embossed bronzes, eleven cents..... | 11c. |
| f. Colored borders, narrow, eight cents. | 8c. |
| g. Colored borders, wide, ten cents..... | 10c. |
| h. Bronze borders, narrow, fifteen cents... | 15c. |
| i. Bronze borders, wide, eighteen cents... | 18c. |
| j. Embossed borders, twenty cents..... | 20c. |
| 109. Paper of all kinds not elsewhere specified, twenty-five per cent. <i>ad valorem</i> | 25 p. ct. |
| 110. Manufactures of paper, including ruled and bordered papers, papeteries, boxed papers, envelopes, and blank books, thirty-five per cent. <i>ad valorem</i> | 35 p. ct. |
| 111. Paper, tarred, one-half cent per pound.... | $\frac{1}{2}$ c. p. lb. |
| 112. Peach trees, four cents each | 4c. each. |
| 113. Photographic dry plates, fifteen cents per square foot..... | 15c. p. sq. ft. |
| 114. Pianofortes, square, whether round cornered or not, not over seven octaves, twenty-five dollars each; all other square pianofortes, thirty dollars each; upright pianofortes, thirty dollars each; concert, semi-concert or parlor grand pianofortes, fifty dollars each,—and in addition thereto twenty per cent. <i>ad valorem</i> | \$25, \$30, \$30, \$50 and 20 p. ct. |
| 115. Pickles in bottle, a specific duty of forty cents per gallon; sixteen half-pint, eight pint, or four quart bottles to be held to contain a gallon: In jars, pottles, or other vessels, the quantity to be ascertained and the same rate of duty to be charged thereon, the duty to include the bottle or other package..... | 40c. p. gal. |
| 116. Pickles in bulk, in vinegar, or vinegar and mustard, thirty-five cents per gallon, and in brine, twenty-five cents per gallon..... | 35c. p. gal. 25c. p. gal. |
| 117. Plated cutlery, namely, knives plated wholly or in part, costing under three dollars and fifty cents per dozen, fifty cents per dozen and twenty per cent. <i>ad valorem</i> | 50c. p. doz. and 20 p. ct. |
| 118. Plated ware, all other, electro-plated or gilt, of all kinds, whether plated wholly or in part, thirty per cent. <i>ad valorem</i> | 30 p. ct. |
| 119. Plumbago, ten per cent. <i>ad valorem</i> | 10 p. ct. |
| 120. Plumbago, all manufactures of, not elsewhere specified, twenty-five per cent. <i>ad valorem</i> | 25 p. ct. |

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| 3c. | 121. Potatoes, fifteen cents per bush | 15c. p. bush. |
| 7c. | 122. Printing presses of all kinds, folding machines and paper cutters, ten per cent. | |
| 9c. | <i>ad valorem</i> | 10 p. ct. |
| 11c. | 123. Raspberry and blackberry bushes, one cent each..... | 1c. each. |
| 8c. | 124. Rice, one and a quarter cent per pound... | 1¼c. per. lb. |
| 10c. | 125. Rose bushes, five cents per plant..... | 5c. p. plant. |
| 15c. | 126. Salt, coarse, ten cents per one hundred pounds (not to include salt imported from the United Kingdom or any British possession, or salt imported for the use of the sea or gulf fisheries, which shall be free of duty)..... | 10c. per 100 lbs. |
| 18c. | 127. Salt, fine, in bulk, ten cents per one hundred pounds..... | 10c. per 100 lbs. |
| 20c. | 128. Salt in bags, barrels or other packages, fifteen cents per one hundred pounds, the bags, barrels or other packages to bear the same duty as if imported empty..... | 15c. per 100 lbs. |
| . ct. | 129. Sand paper, glass, flint and emery paper, thirty per cent. <i>ad valorem</i> | 30 p. ct. |
| . ct. | 130. Sauces and catsups, in bottle, forty cents per gallon, and twenty per cent. <i>ad valorem</i> ; sixteen half-pint, eight pint, or four quart bottles to be held to contain a gallon..... | 40c. per gal. and 20 p. ct. |
| . lb. | 131. Screws of iron, steel, brass or other metal, not otherwise provided for, thirty-five per cent. <i>ad valorem</i> | 35 p. ct. |
| ach. | 132. Seedling stock for grafting, viz.:—Plum, pear, peach and other fruit trees, ten per cent. <i>ad valorem</i> | 10 p. ct. |
| q. ft. | 133. Sewing machines whole, or heads or parts of heads of sewing machines, three dollars each and twenty per cent <i>ad valorem</i> | \$3 each and 20 p. ct. |
| . ct. | 134. Shirts of cotton or linen, one dollar per dozen and thirty per cent. <i>ad valorem</i> ... | \$1 per doz. and 30 p. ct. |
| gal. | 135. Slates, school and writing slates, one cent each and twenty per cent. <i>ad valorem</i> | 1c. each and 20 p. ct. |
| gal. | 136. Slates, roofing slate, black or blue, eighty cents per square..... | 80c. p. sq. |
| doz. | Red, green, and other colors, one dollar per square..... | \$1 p. sq. |
| . ct. | In each case when split or dressed only. | |
| . ct. | 137. Slates of all kinds, and manufactures of, not elsewhere specified, one cent per square foot and twenty-five per cent. <i>ad valorem</i> | 1c. per sq. ft. and 25 p. ct. |
| . ct. | | |

138. Socks and stockings of cotton, wool, worsted, the hair of the alpaca goat or other like animal, ten cents per pound and thirty per cent. *ad valorem*..... 10c. per lb. and 30 p. ct.
139. Spectacles and eye glasses, thirty per cent. *ad valorem*..... 30 p. ct.
140. Spectacles and eye glasses, parts of, unfinished, twenty-five per cent. *ad valorem*.. 25 p. ct.
141. Tomatoes, fresh, thirty cents per bushel and ten per cent. *ad valorem*..... 30c. p. bush. and 10 p. ct.

TOOLS AND IMPLEMENTS:—

142. Axes of all kinds, adzes, hatchets and hammers not elsewhere specified, thirty-five per cent. *ad valorem*..... 35 p. ct.
143. Chopping axes, two dollars per dozen and ten per cent. *ad valorem*..... \$2 per doz. and 10 p. ct.
144. Garden rakes, two and three-pronged forks of all kinds, and hoes, five cents each and twenty-five per cent. *ad valorem*..... 5c. each and 25 p. ct.
145. Hay knives and four, five, and six-pronged forks of all kinds, two dollars per dozen and twenty per cent. *ad valorem* \$2 per doz. and 20 p. ct.
146. Mowing machines, self-binding harvesters, harvesters without binders, binding attachments, reapers, sulky and walking ploughs, and all other agricultural machines and implements, not otherwise provided for, thirty-five per cent. *ad valorem*..... 35 p. ct.
147. Picks, mattocks, blacksmiths' hammers, sledges, track tools, wedges, and crow-bars of iron or steel, one cent per pound and twenty-five per cent. *ad valorem*..... 1c. p. lb. and 25 p. ct.
148. Shovels and spades, and shovel and spade blanks, one dollar per dozen and twenty-five per cent. *ad valorem* \$1 per doz. and 25 p. ct.
149. Trunks of all kinds, pocket books and purses, thirty per cent. *ad valorem*..... 30 p. ct.
150. Valises, satchels, carpet bags, cases for jewels and watches, and other like articles, of any material, ten cents each and thirty per cent. *ad valorem*..... 10c. each and 30 p. ct.
151. Varnishes, lacquers, japans, japan driers, liquid driers, collodion and oil finish, not elsewhere specified, twenty cents per gallon and twenty-five per cent. *ad valorem*..... 20c. per gal. and 25 p. ct.
152. Vegetables, not elsewhere specified, including sweet potatoes, twenty-five per cent. *ad valorem*..... 25 p. ct.

153. Veneers of wood, sawn only, ten per cent.
ad valorem..... 10 p. ct.
154. Watch actions or movements, ten per cent.
ad valorem..... 10 p. ct.

WOOLLENS:—

155. All fabrics composed wholly or in part of wool, worsted, the hair of the alpaca goat, or other like animal, not otherwise provided for, on all such goods costing ten cents per yard and under, twenty-two and a-half per cent. *ad valorem*..... 22½ p. ct.
156. Costing over ten and under fourteen cents, twenty-five per cent. *ad valorem*.. 2½ p. ct.
157. Costing fourteen cents and over, twenty-seven and a-half per cent. *ad valorem* 27½ p. ct.
158. As regards items 155, 156 and 157, the half-penny sterling shall be computed as the equivalent of a cent, and larger sums in sterling money shall be computed at the same ratio.
159. Clothing, ready-made, and wearing apparel, of every description, including cloth caps and horse clothing, shaped, composed wholly or in part of wool, worsted, the hair of the alpaca goat, or other like animal, made up by the tailor, seamstress or manufacturer, not otherwise provided for, ten cents per pound and twenty-five per cent. *ad* 10c. p. lb.
valorem..... and 25 p. ct.

FREE GOODS.

2. The duties of Customs, if any, imposed by the Act hereinbefore cited on the articles mentioned in this section are hereby repealed and they may be imported into Canada or taken out of warehouse for consumption free of duty, that is to say:—

160. Articles imported by and for the use of the Dominion Government or any of the departments thereof, or by and for the Senate or House of Commons, including the following articles when imported by the said Government or through any of the Departments thereof for the use of the Canadian militia:—Arms, military clothing, musical instruments for bands, military stores and munitions of war.
161. The following articles when imported by and for the use of the Army and Navy:—Arms, military or naval clothing, musical instruments for bands, military stores and munitions of war.

162. Books, educational, imported exclusively by and for the use of schools for the deaf and dumb and blind.
163. Brick, fire, for use exclusively in processes of manufactures.
164. Coal, anthracite.
165. Cotton yarns, finer than No. 40, unbleached, bleached or dyed, for use in the manufacture of Italian cloths, cotton, worsted or silk fabrics.
166. Gannister.
167. Gums, amber, arabic, Australian, copal, damar, mastic, sandarac, shellac and tragacanth.
168. Iron or steel rolled round wire rods under half an inch in diameter, when imported by wire manufacturers for use in their factories.
169. Locomotive tires of steel in the rough.
170. Quills in their natural state or unplumed.
171. Redwood planks and boards, sawn, but not further manufactured.
172. Rolled rods of steel under half an inch in diameter or under half an inch square, when imported by knob or lock manufacturers or cutlers for use exclusively in such manufactures in their own factories.
173. Steel rails, weighing not less than twenty-five pounds per lineal yard, for use in railway tracks.
174. Steel valued at two and one-half cents per pound and upwards for use in the manufacture of skates.
175. Scrap iron and scrap steel, old and fit only to be remanufactured, being part of or recovered from any vessel wrecked in waters subject to the jurisdiction of Canada.
176. Steel bowls for cream separators.
177. Steel for the manufacture of files, when imported by file manufacturers for use in their factories.
178. Veneers of ivory, sawn only.
179. Wire of iron or steel, galvanized or tinned, number sixteen gauge or smaller.

EXPORT DUTIES.

3. Item 816 in schedule E to the Act hereinbefore cited is hereby repealed, and the following substituted therefor:—

"816. Shingle bolts of pine or cedar, and cedar logs capable of being made into shingle bolts, one dollar and fifty cents per cord of one hundred and twenty-eight \$1.50 per 128 cubic feet..... cubic feet."

ITEMS IN OLD TARIFF REPEALED.

4. The items numbered 7, 31, 32, 36, 37, 38, 39, 43, 44, 48, 51, 57, 72, 82, 83, 101, 105, 116, 121, 124, 125, 126, 132, 133, 135, 137, 138, 143, 144, 145, 146, 147, 154, 161, 171, 181, 192, 204,

213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 234, 235, 236, 237, 238, 240, 241, 244, 245, 246, 247, 248, 250, 251, 252, 254, 255, 275, 278, 282, 290, 291, 292, 293, 310, 317, 318, 319, 329, 330, 331, 332, 333, 334, 338, 339, 344, 346, 352, 354, 356, 365, 366, 368, 369, 371, 380, 381, 383, 403, 404, 406, 409, 439, 447, 453, 455, 456, 458, 462, 474, 475, 532, 533, 549, 551, 599, 639, 662, 667, 693, 694, 767, 770, 797, 805 and 806 in schedules A and C to the said Act attached are hereby repealed.

WHEN CHANGES COME INTO FORCE.

5. The foregoing provisions of this Act shall be held to have come into force on the thirteenth day of May in the present year one thousand eight hundred and eighty-seven, and to apply and to have applied to all goods imported or taken out of warehouse for consumption on or after the said day.

PURCHASES BEFORE 13TH MAY, 1887.

6. All goods actually purchased on or before the said thirteenth day of May at any place out of Canada, for importation into Canada, on evidence to the satisfaction of the Minister of Customs of the purchase having been so made, and all goods in warehouse in Canada on such day, may be entered for duty at the rate of duty in force immediately before the said day; but the provisions of this section shall cease to have force and effect on the first day of July in the present year, excepting that goods from the United Kingdom or any British possession, carried by way of Cape Horn, may be entered in British Columbia under the provisions aforesaid, until the first day of November in the present year.

in Millions \$

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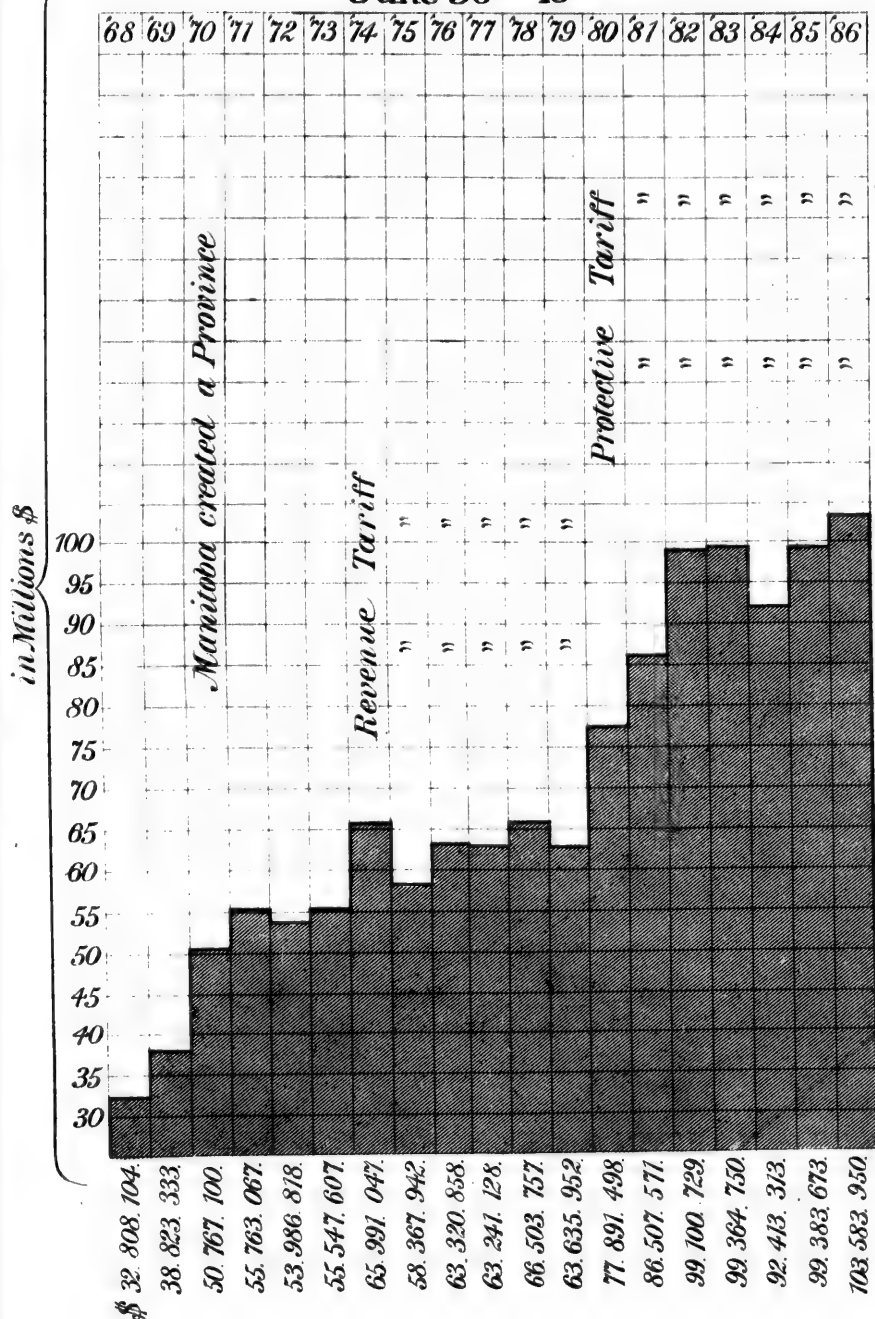
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1

DEPOSITS by the PEOPLE in the CHARTERED BANKS OF CANADA.

June 30th 18 —

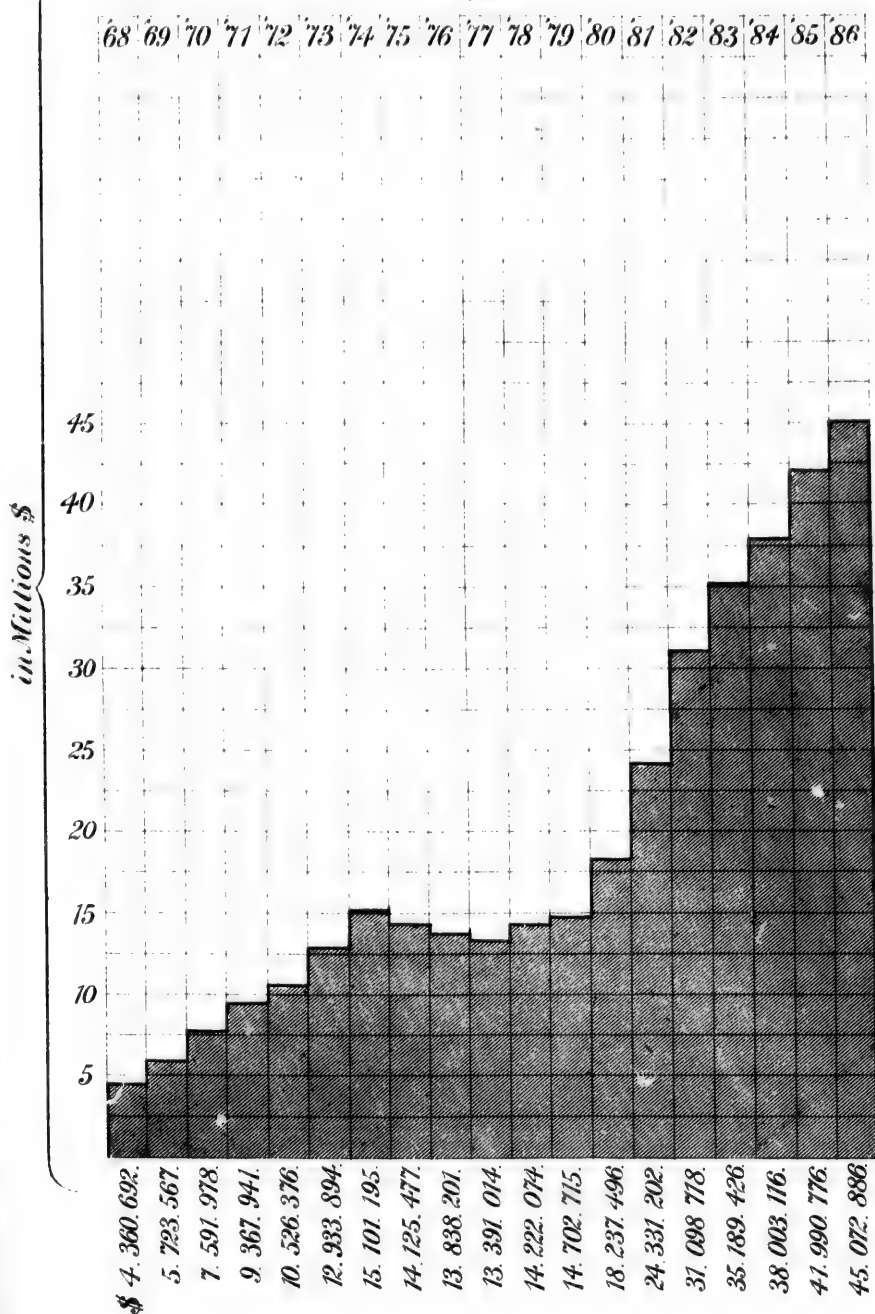


in Millions \$

DEPOSITS in SAVINGS BANKS of CANADA.

June 30th

18-

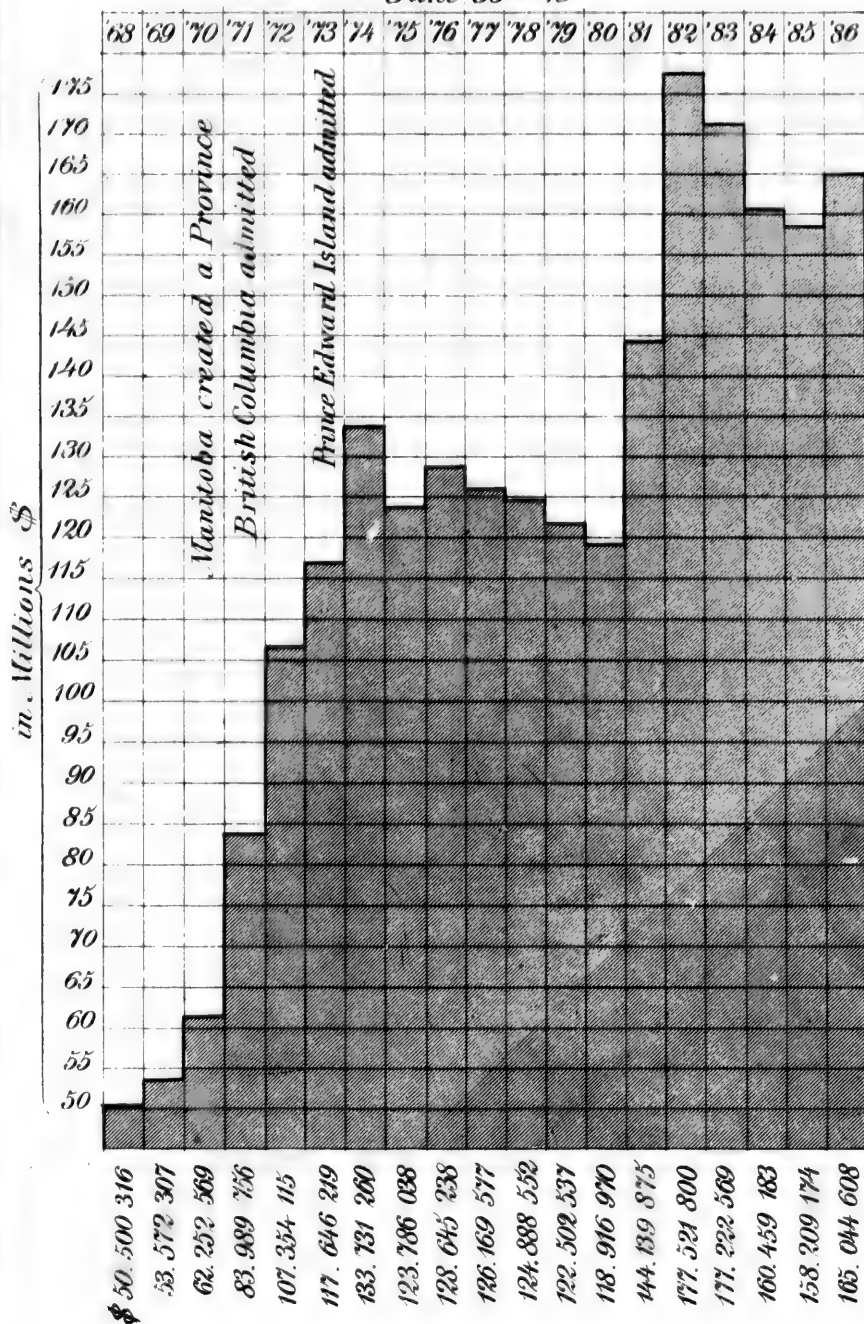


in Millions \$

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DISCOUNTS

given by the chartered Banks of Canada
June 30th 18-



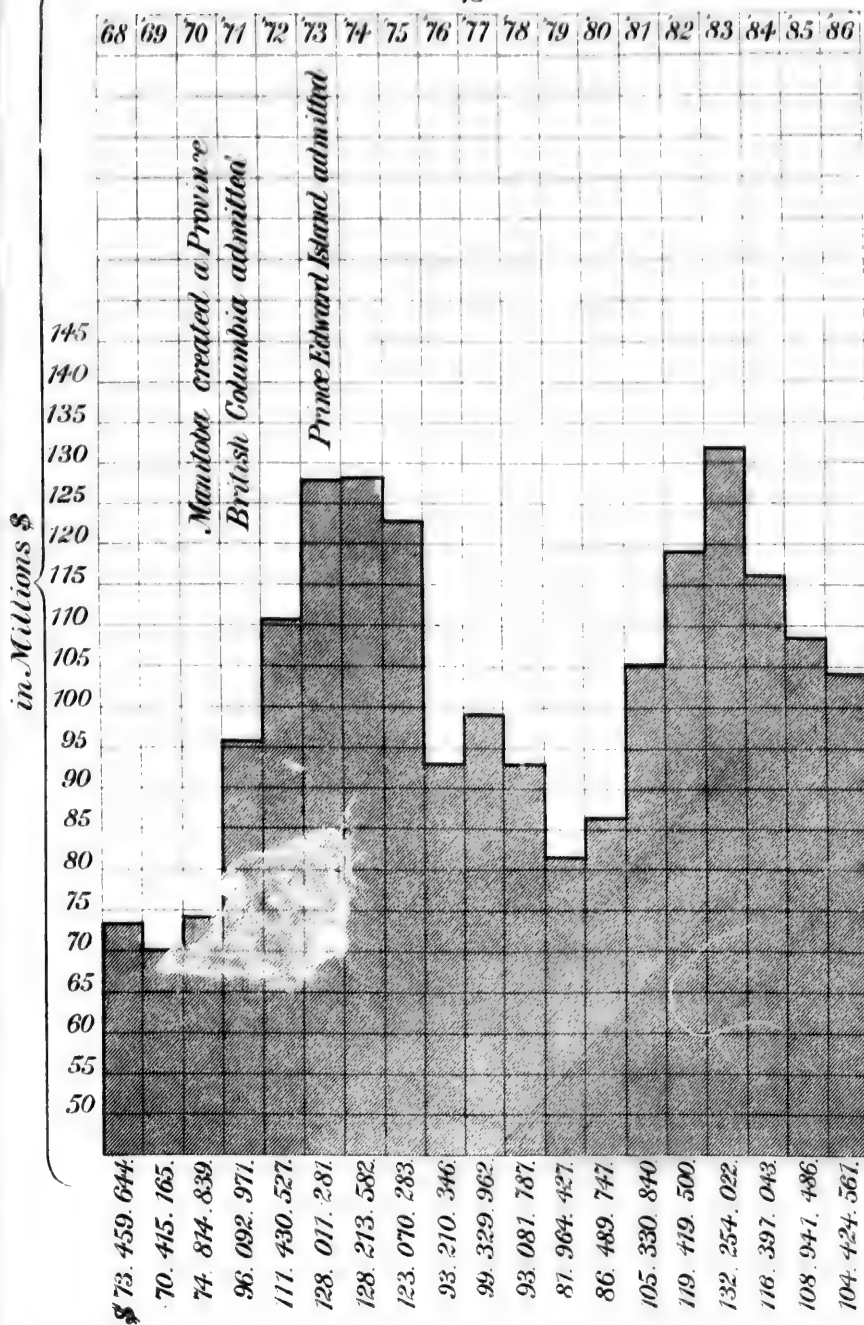
in Millions \$

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TOTAL IMPORTS into CANADA.

for year ended June 30th

18--



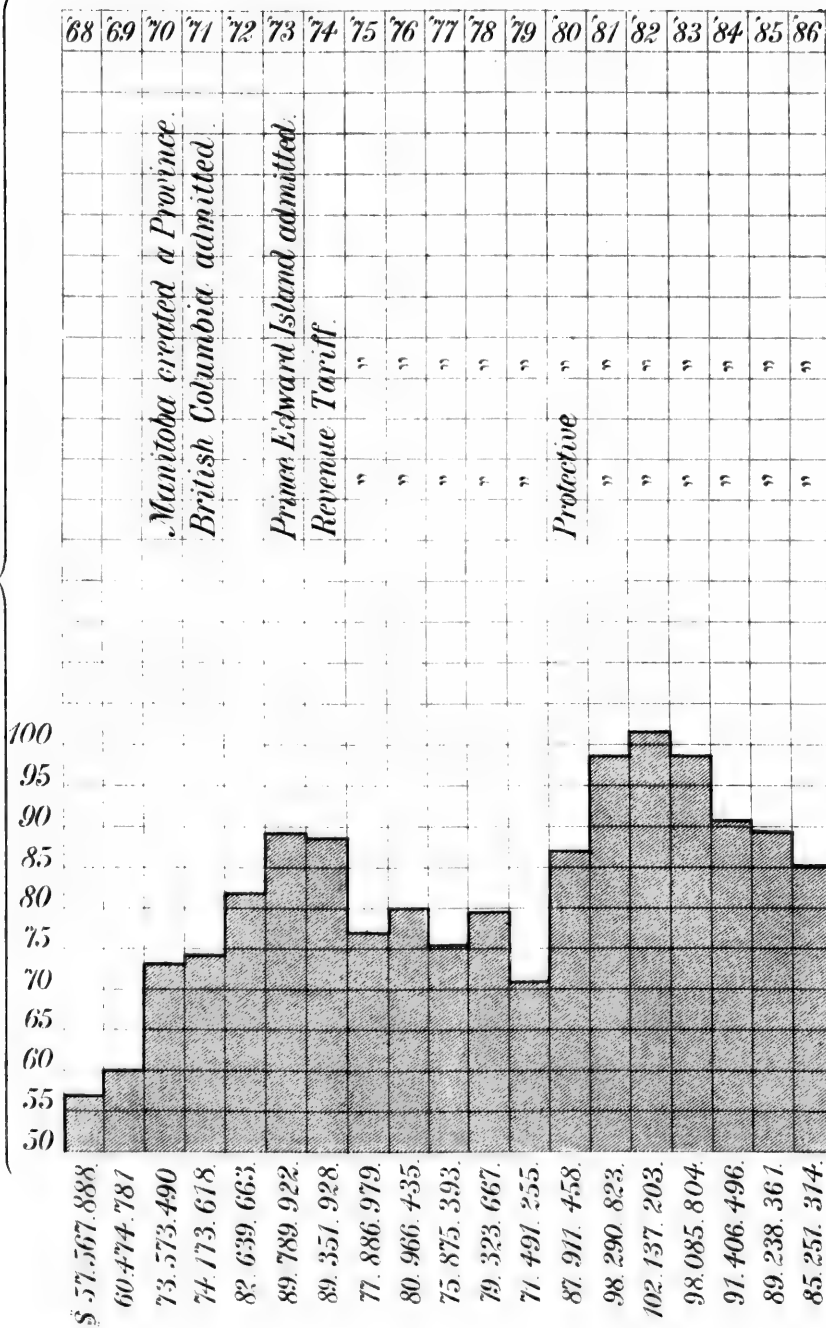
in Millions \$

TOTAL EXPORTS OF CANADA.

for year's ended June 30th

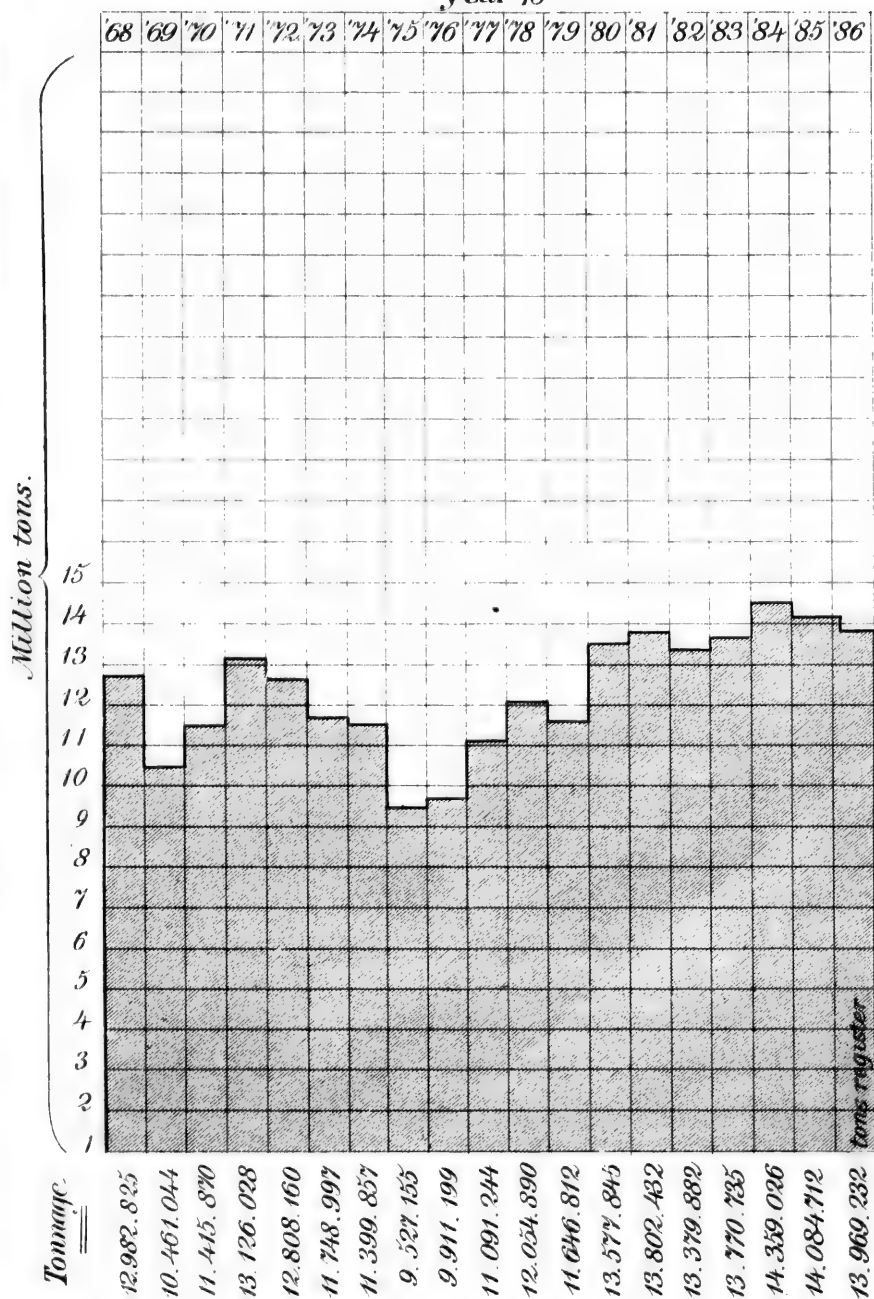
18—

in Millions \$



Million tons.

SHIPPING EMPLOYED, not including Coasting Vessels year 18-



Tonnage.

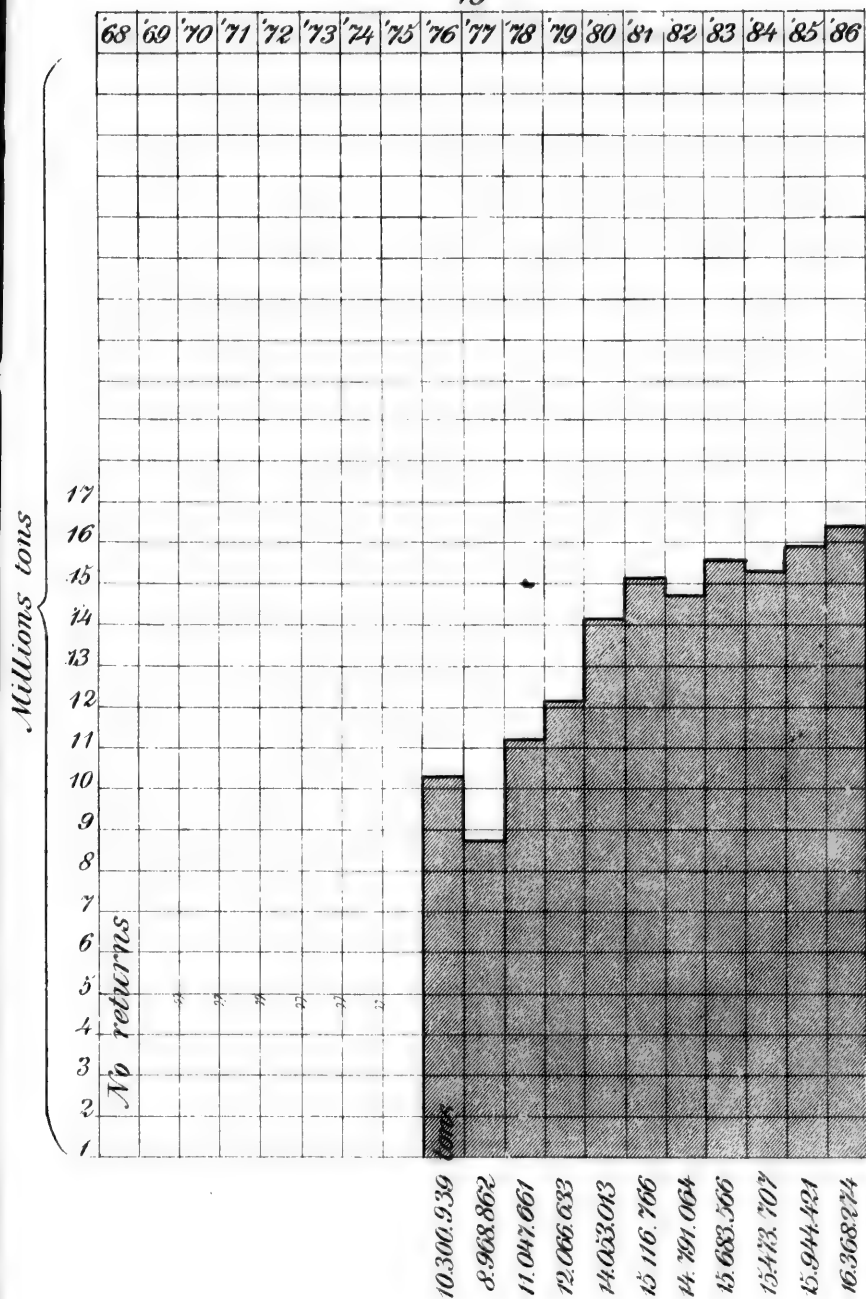
tons register

Millions tons

CANADA, COASTING TRADE

Tonnage employed

18-



MILES COMPLETED
each square equal to 1000 Miles.

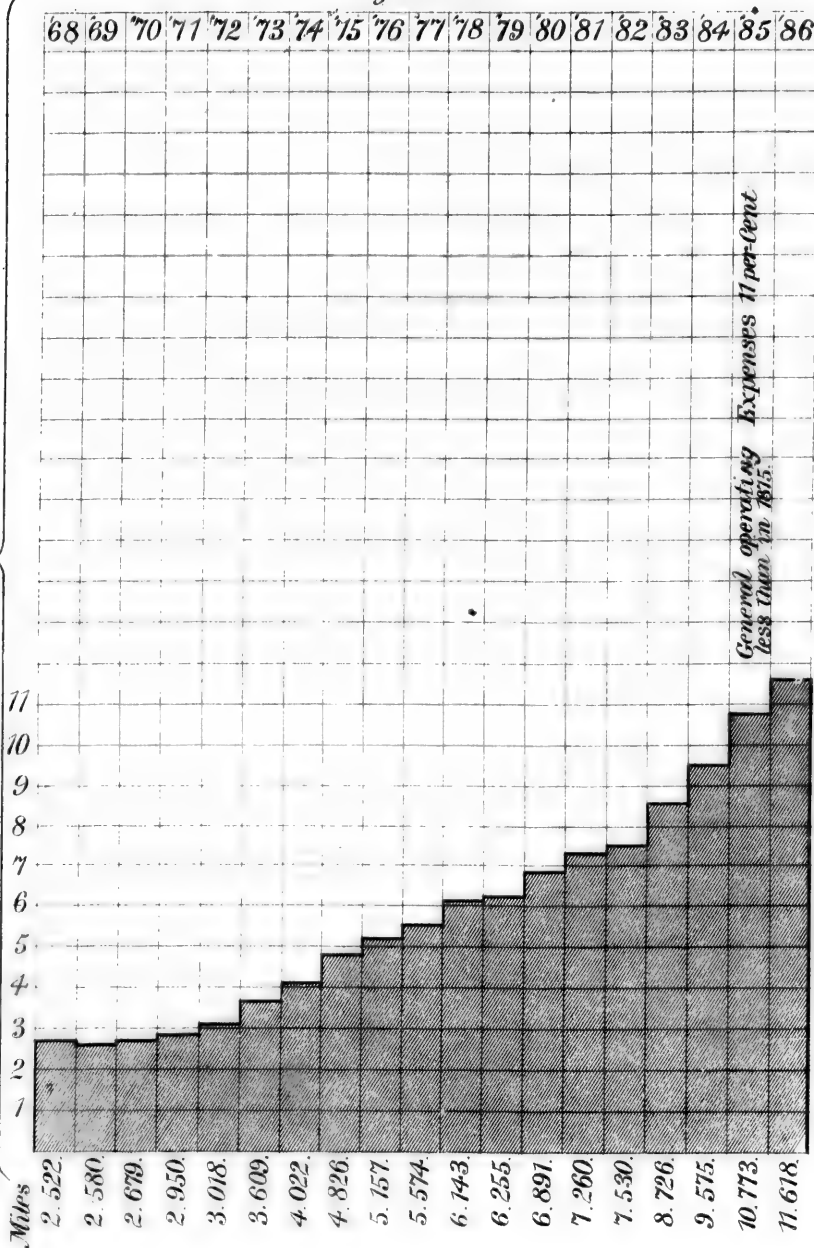
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RAILWAYS IN CANADA,

June 30th

years 18-

MILES COMPLETED
each square equal to 1000 Miles.

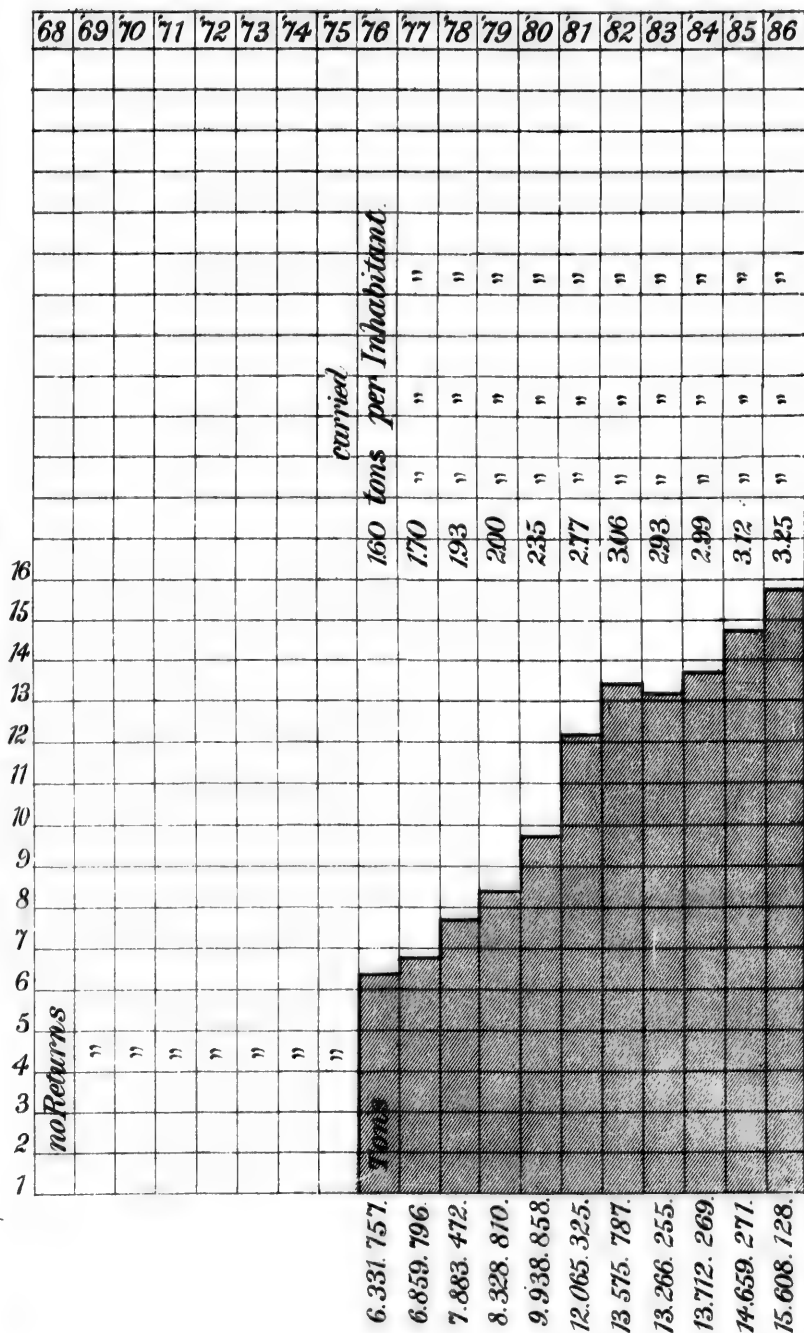


Million Tons.

RAILWAYS OF CANADA, TONS CARRIED.

18—

Million Tons.



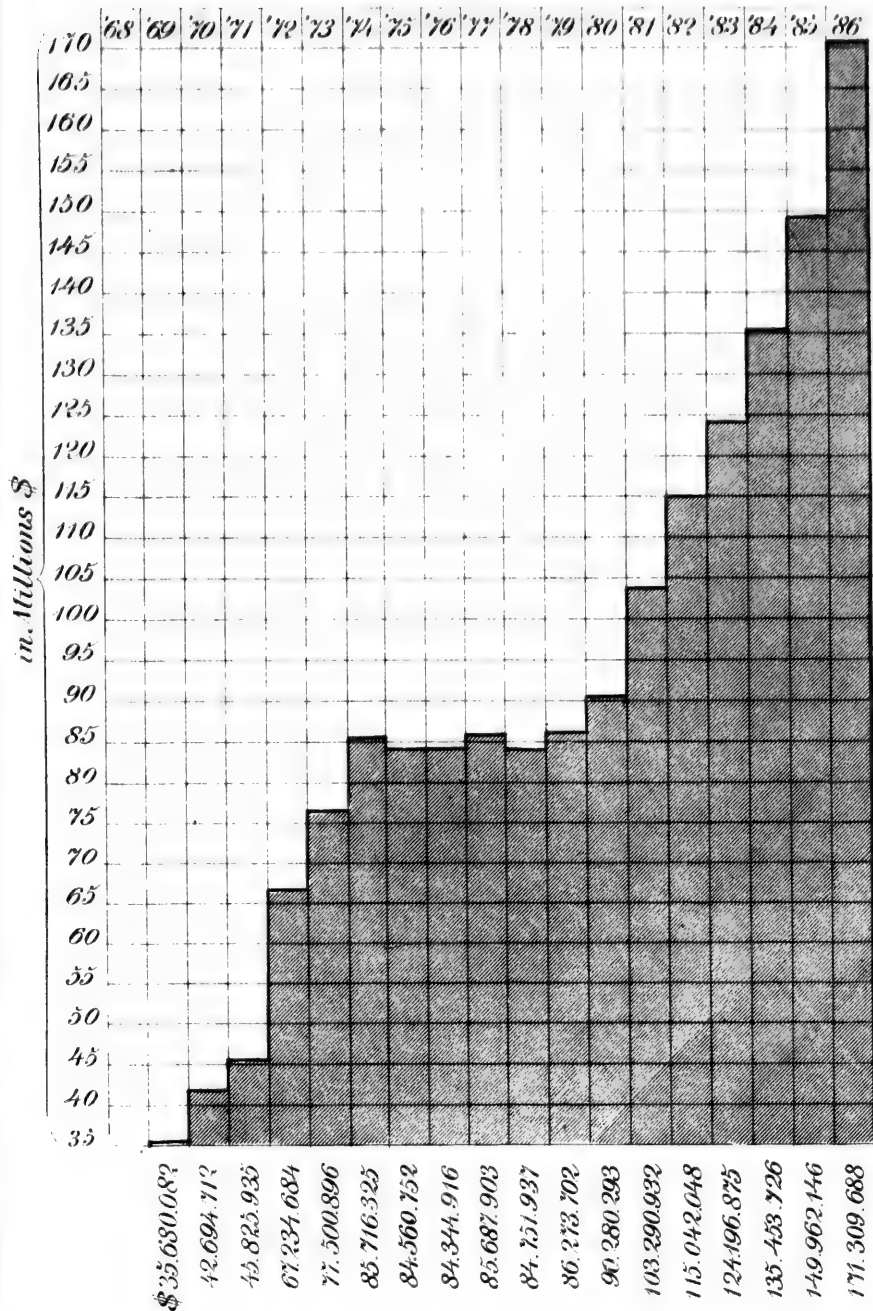
m. Millions \$

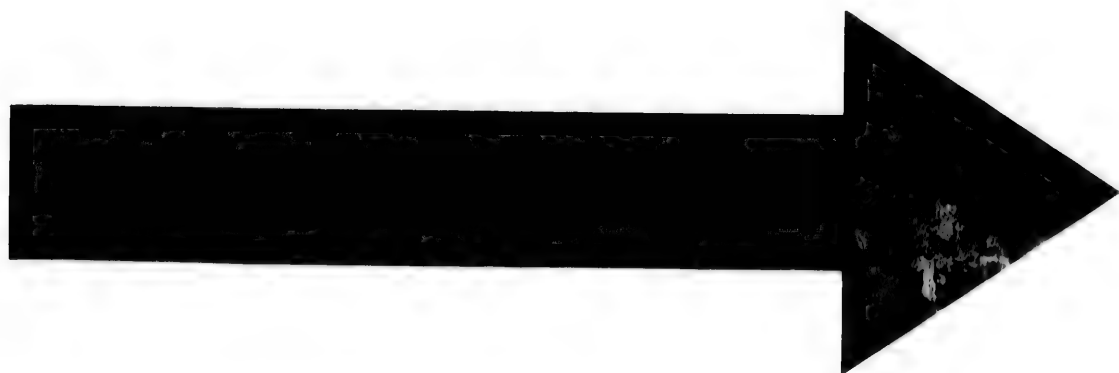
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LIFE INSURANCE IN CANADA

Net Amount in force

18-





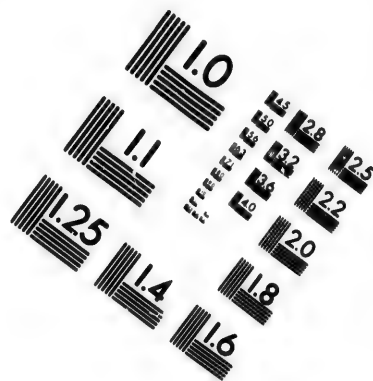
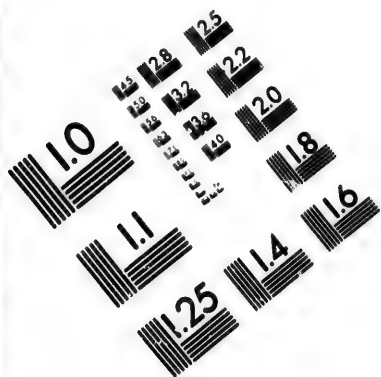
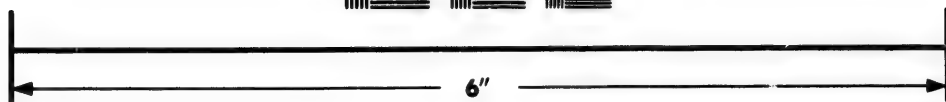
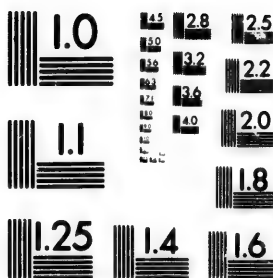


IMAGE EVALUATION TEST TARGET (MT-3)



**Photographic
Sciences
Corporation**

23 WEST MAIN STREET
WEBSTER, N.Y. 14580
(716) 872-4503

1.5 1.8 2.5
2.0 2.2 2.8
3.2 3.6 4.0
4.5 5.0 5.6
6.3 7.1 8.0
9.0 10.0 11.2
12.5 14.0 16.0
18.0 20.0 22.4
25.0 28.0 31.5
36.0 40.0 45.0
50.0 56.0 63.0
71.0 80.0 90.0
100.0 112.0 125.0
140.0 160.0 180.0
200.0 224.0 250.0
280.0 315.0 360.0
400.0 450.0 500.0
560.0 630.0 710.0
800.0 900.0 1000.0

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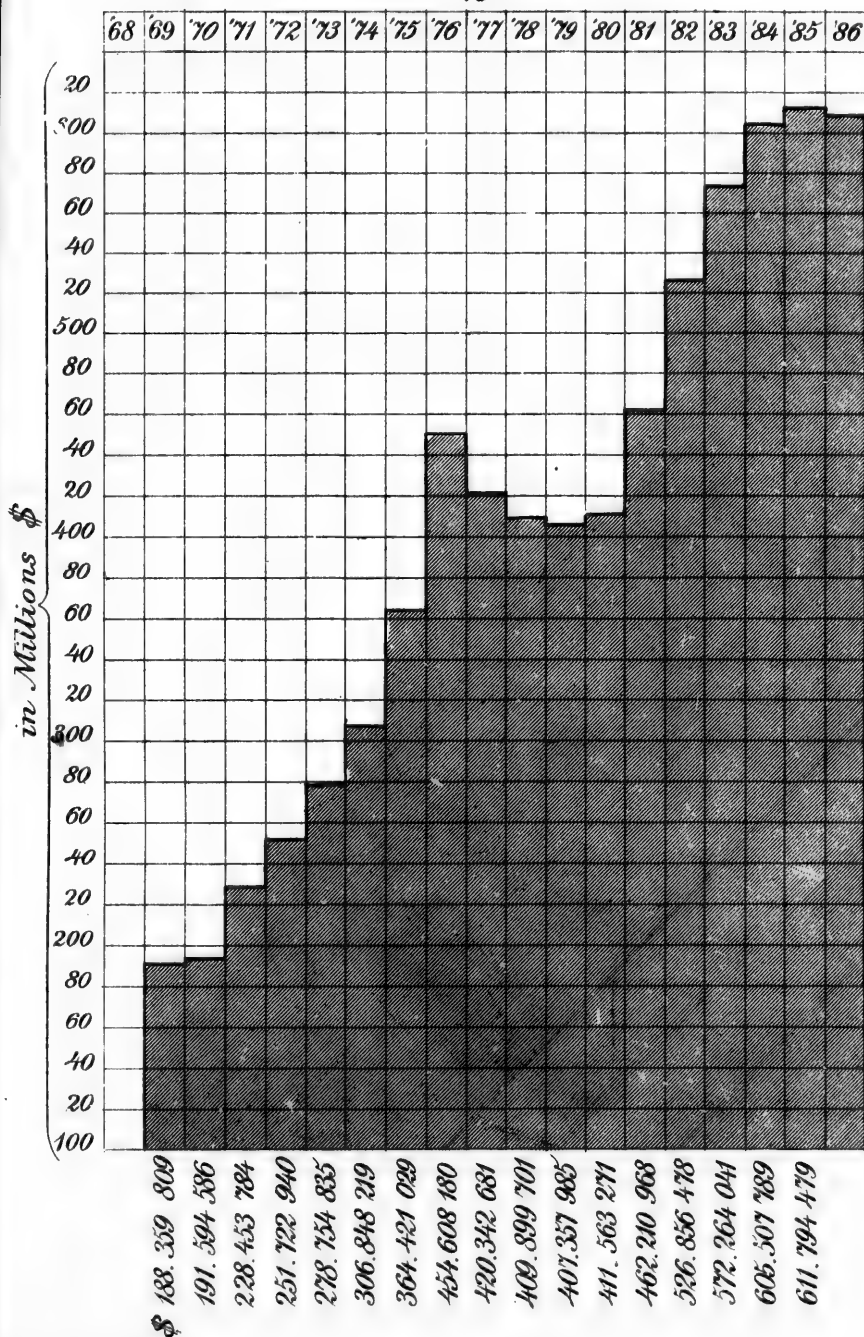
in Millions \$

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FIRE INSURANCE IN CANADA

Amount at risk Dec. 31st

18-



in Millions \$

3

2

2

7

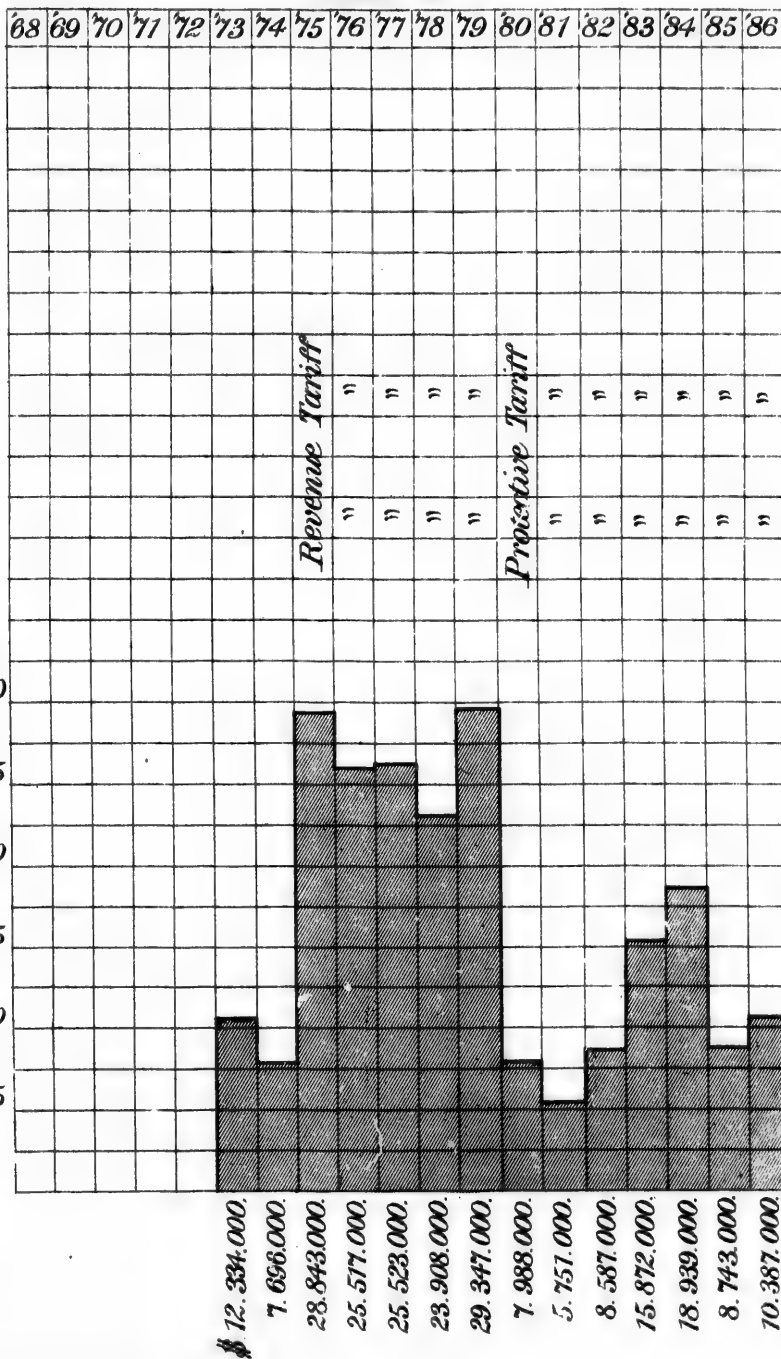
7

4

BUSINESS FAILURES IN CANADA.

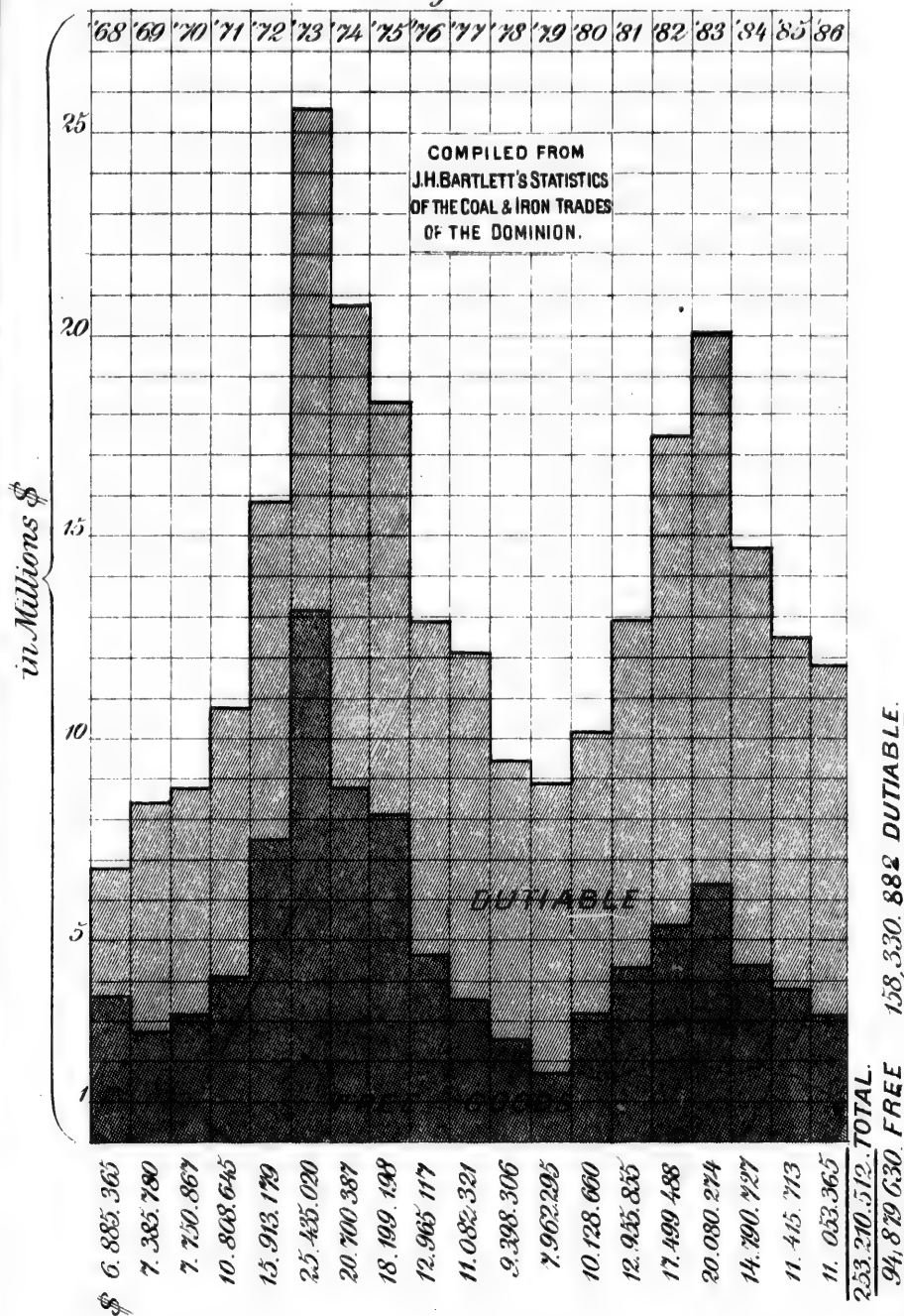
Year 18-

in Millions \$



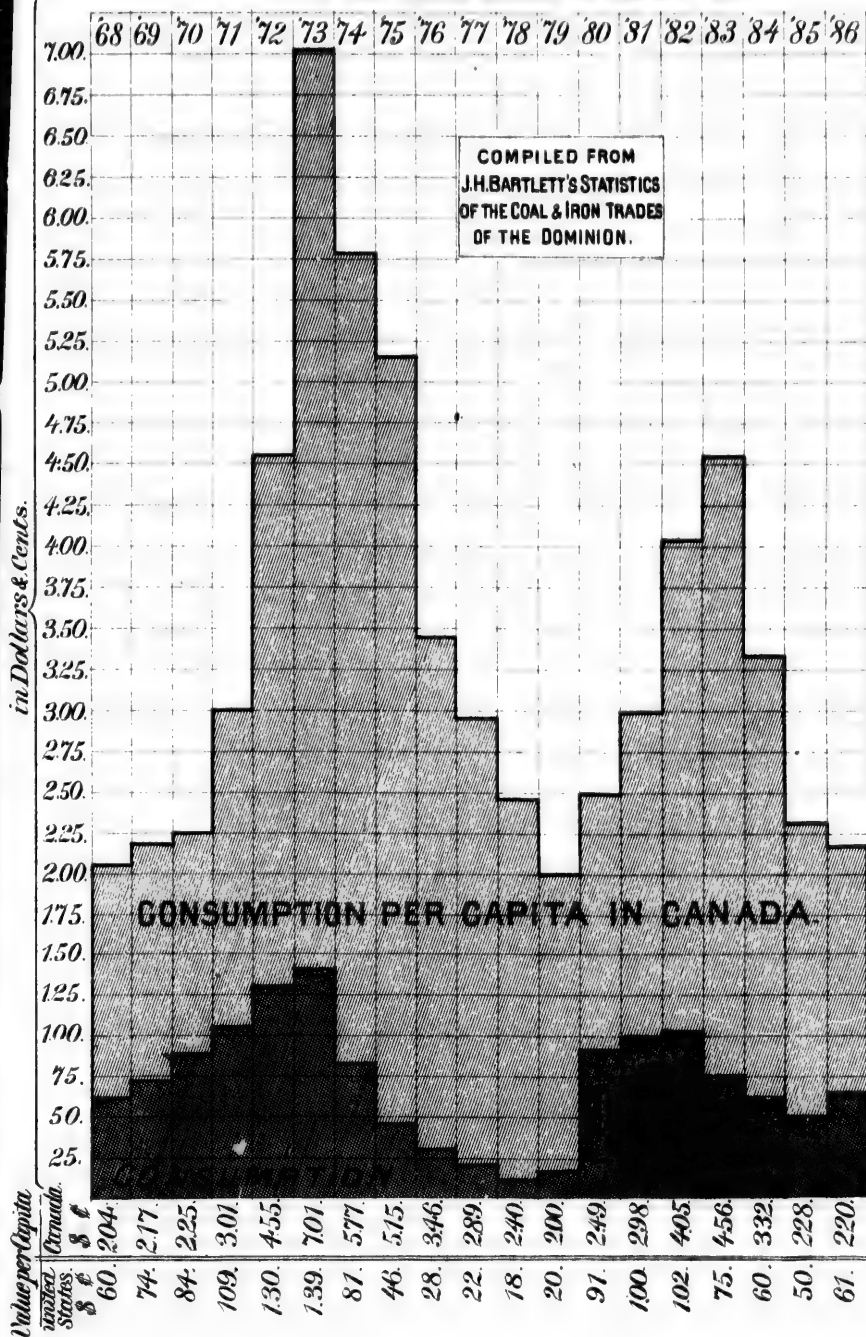
in Millions \$

IMPORTS OF IRON & STEEL & MANUFACTURES THEREOF into the Dominion for Home Consumption for years 18-



Value per Capita
United States
in Dollars & Cents.
 70.
 67.
 65.
 62.
 60.
 57.
 55.
 52.
 50.
 47.
 45.
 42.
 40.
 37.
 35.
 32.
 30.
 27.
 25.
 22.
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 12.
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 2.

CONSUMPTION PER CAPITA. of Imported Iron, Steel & Manufactures in CANADA. and in the UNITED STATES. for the YEAR ended JUNE 30th 18-

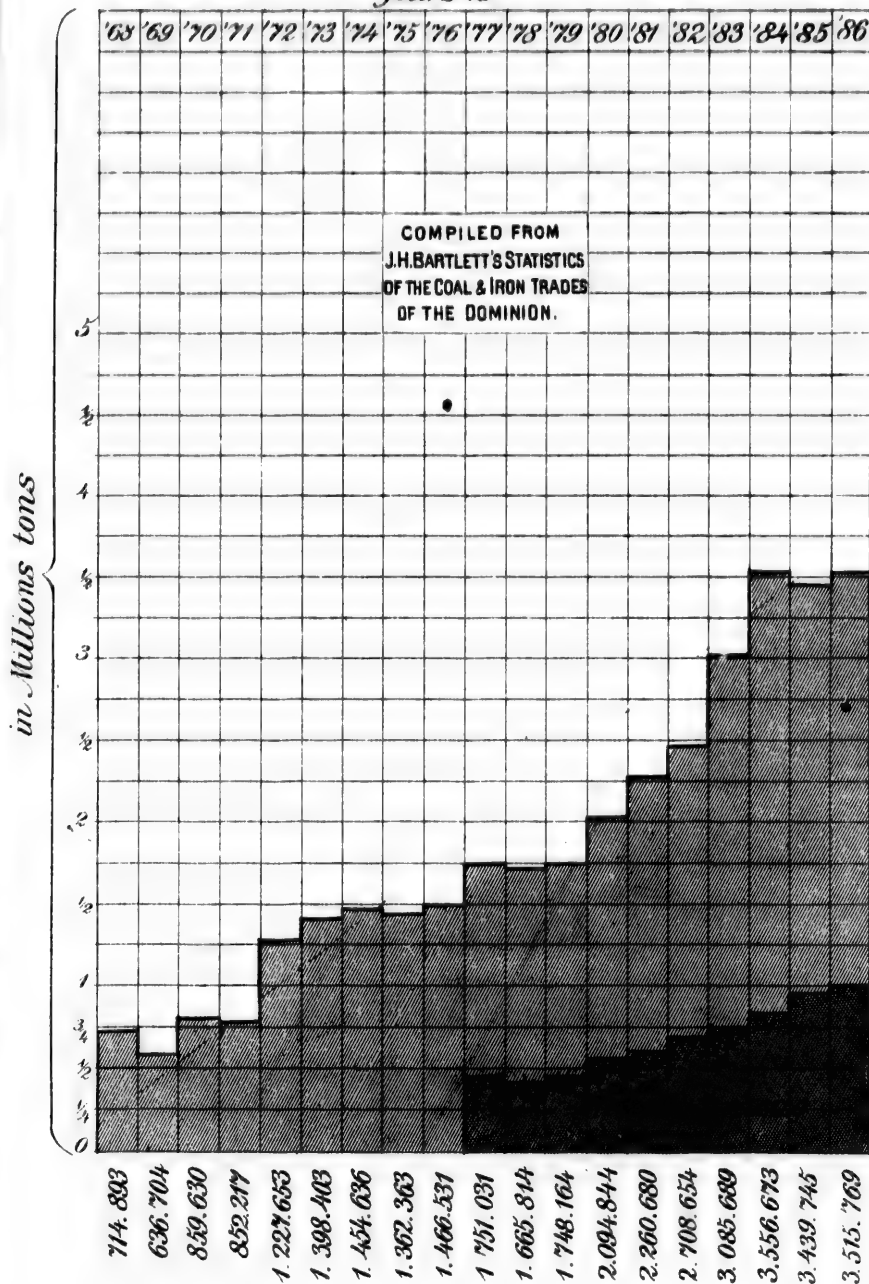


in Millions tons

TOTAL CONSUMPTION OF COAL IN THE DOMINION

Net Tonn of 2000 Pounds

years 18-

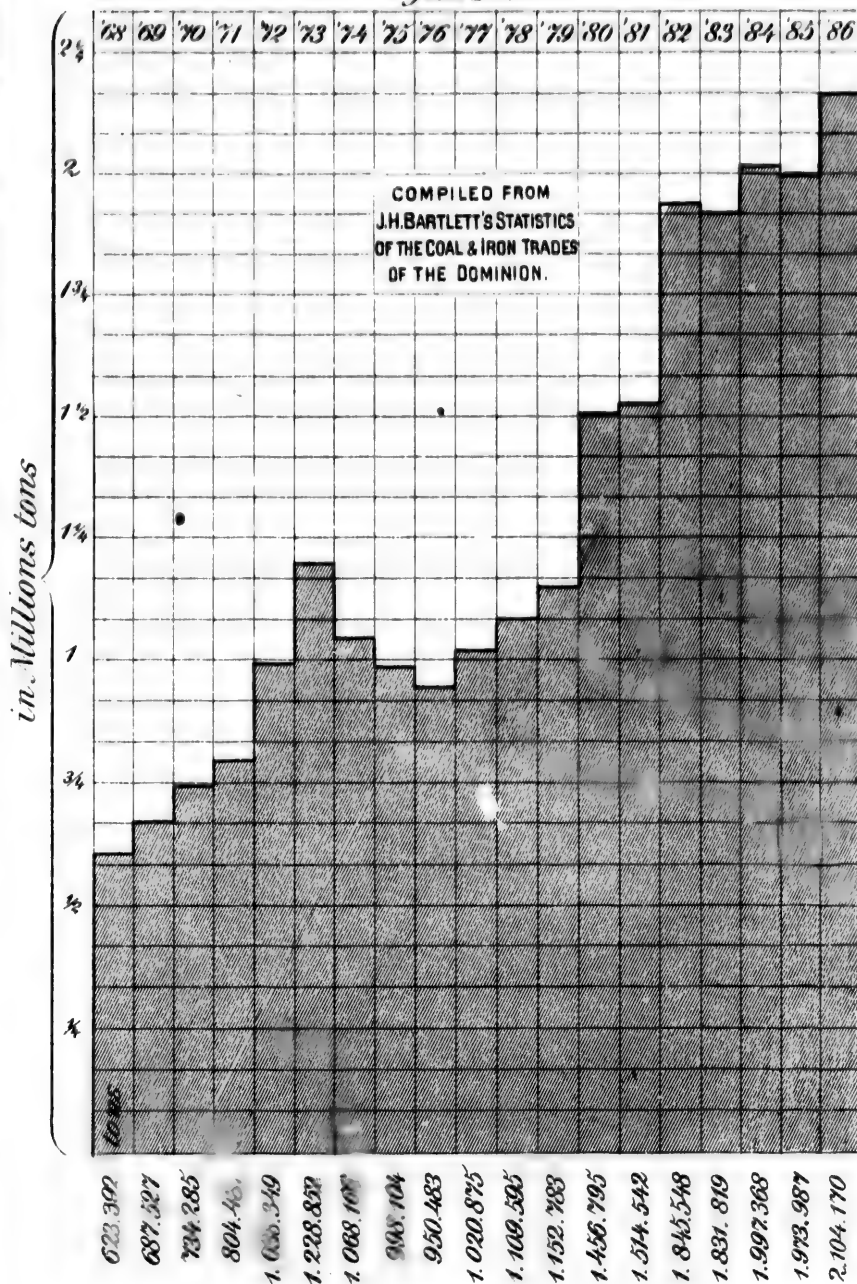


in Millions tons

TOTAL PRODUCTION OF COAL IN THE DOMINION

Net Tons of 2000 Pounds

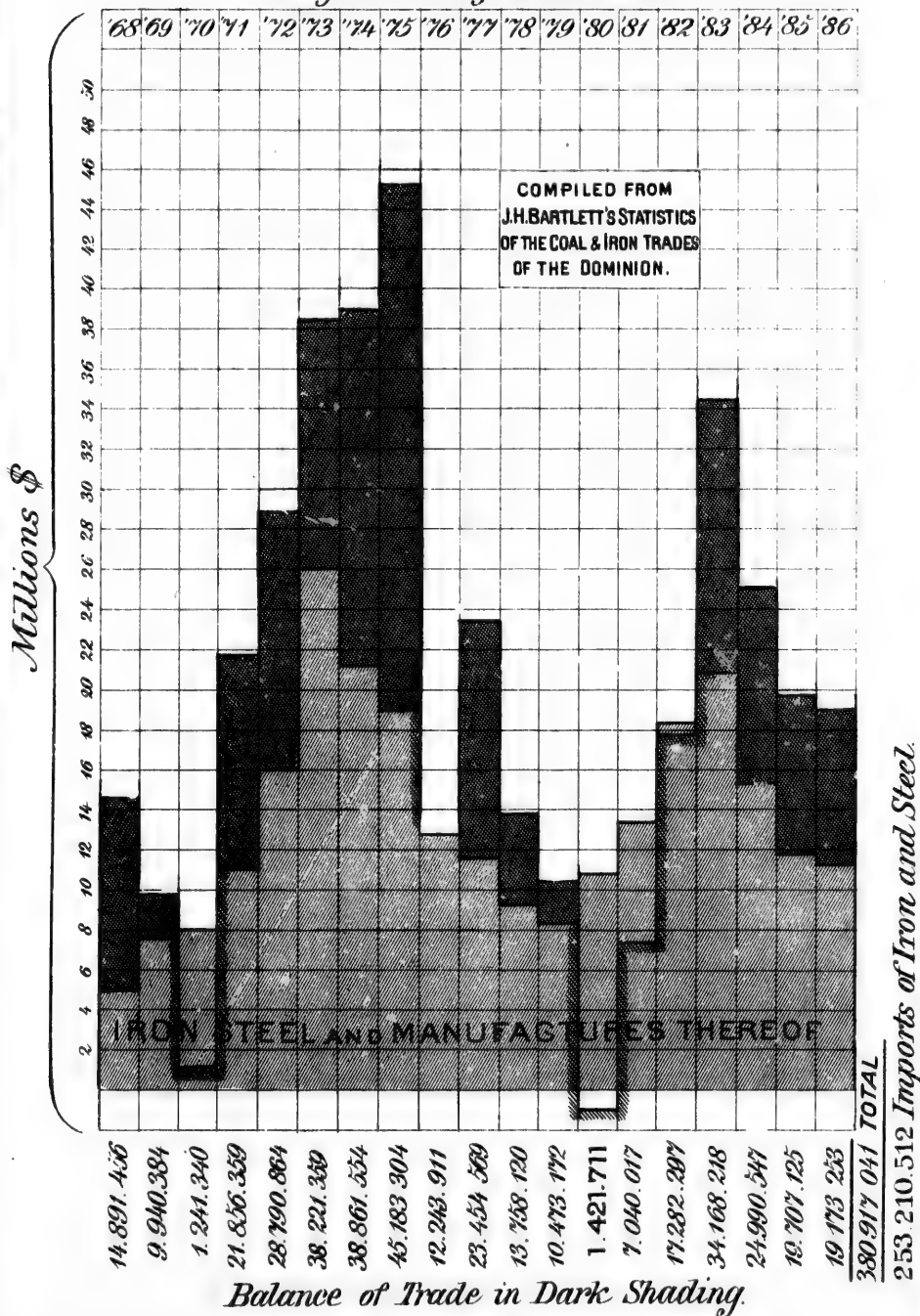
years 18-



Millions \$

BALANCE OF TRADE AGAINST CANADA

*and Proportion thereof due to Imports
of Iron, Steel & Manufactures
for years ending June 30th 18-*

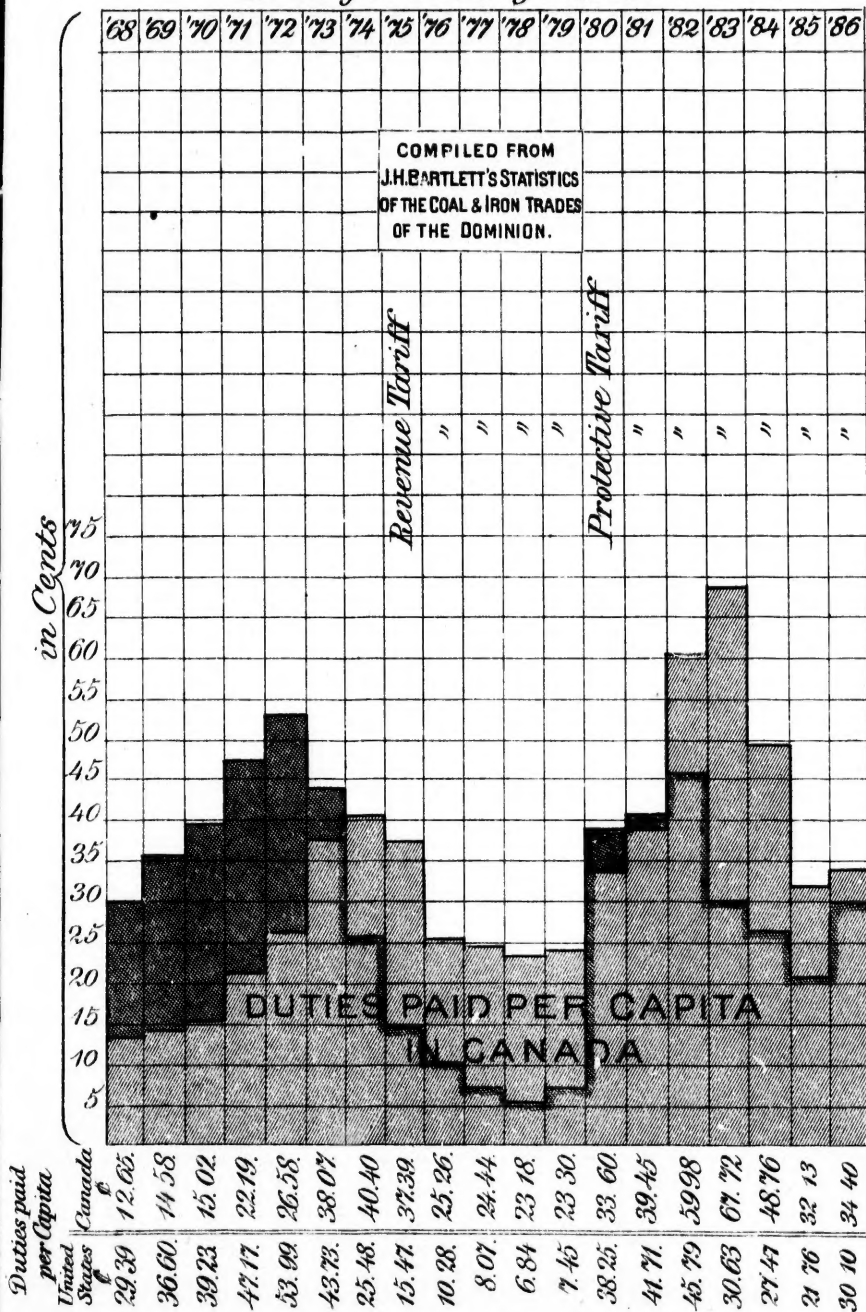


Duties paid
per Capita
United

in Cents

DUTIES PAID PER CAPITA

upon Imports of Iron & Steel
into Canada and into the United States
for the years ending June 30th 18-



COPY OF
S. I. ...

COPY OF
SIR LOWTHIAN BELL'S DIAGRAM.
Showing Price of Scotch Pig Iron, and Earnings of Colliers in Scotland and in Westphalia.

